FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 038 *26 February 1985*

ARGENTINA

Alfonsin To Discuss Hemispheric Dialogue in U.S. B 1
Saudi Envoy Denies Blocking Beagle for British B 2
Interior Ministry Scores CIED Report B 2
CIED Reaffirms Risk of Violence B 3
Iglesias Rouco Analyzes Personnel Changes B 3
[LA PRENSA 21 Feb]
More on Peron Resignation as Justicialist Head B 4
[BUENOS AIRES HERALD 22 Feb]

BOLIVIA

Report on Uprising of Oruro Regiment Denied C 1
Armed Forces Removed From Anti-Drug Campaign C 1
COB Reportedly Taking Over Government Functions C 1
Distributes Sugar, Foodstuffs C 2
Rejects 500-Percent Fare Increase C 2
Government Denounces Electoral Court Statement C 3
Political Parties Register for June Elections [PRESENCIA 12 Feb] C 3

CHILE

Pope Reportedly Turns Down Pinochet Invitation E 1
Vatican Denies Report E 1
Motley Visit Viewed as 'Not Very Successful' E 1

COLOMBIA

Government Says Guerrilla Groups Must Disarm F 1
M-19 Calls for Public Debate F 1
ELN, M-19 Said To Refuse F 2
Betancur Meets Netherlands Antilles Premier F 2
Bomb Deactivated at Site of Presidential Event F 2
Drug Traffickers Suspected F 3
Six Arrested for Planning Attack on Ecopetrol F 3
[EL SIGLO 21 Feb]
Army, Police Dismantle Coca Plantations P 4
[EL TIEMPO 19 Feb]
Armed Forces Chief Replaced Due to Illness F 4

ECUADOR

Emergency Measures Implemented To Control Drought G 1
Briefs: Oil Production To Increase; Increased Oil Reserves; G 1
Conade Secretary General Appointed; Daule-Peripa Dam
Construction

PARAGUAY

Expelled Spanish Priest Returns to Asuncion H 1
Expelled Again [ULTIMA HORA 23 Feb] H 1
Briefs: New Philippine Ambassador; Energy Price Set H 1

PERU

Belaunde on Danger of Superpowers Rivalry J 1
APRA Candidate Garcia on Need for Unity J 1
New Wave of Shining Path Attacks Foreseen J 3
Townspeople Flee J 3

URUGUAY

Sanguinetti Comments on Economy, Amnesty K 1
[Caracas EL NACIONAL 11 Feb]
Meeting Between Ortega, Shultz Being Promoted K 6
Foreign Minister-Designate Discusses Policy K 6
Ferreira Aldunate Elected Blanco Party President K 6

MEXICO

De la Madrid Inaugurates CTM 102d Assembly M 1
Alliance of Leftist Parties To Nominate Candidates M 1
[EL NACIONAL 13 Feb]
Navy To Construct Logistic, Coast Guard Ships M 1
[EL DIA 18 Feb]
EL UNIVERSAL Criticizes U.S. Border Operation [18 Feb] M 2

PANAMA

Guatemala's Mejia Stops Over, Meets President N 1
Planning Minister Leaves for U.S. To Discuss Debt N 1
[LA ESTRELLA DE PANAMA 22 Feb]
PDC Proposes Solution for Fiscal Problems N 1
[EL SIGLO 21 Feb]
Briefs: World Bank Loan; Trade Information Service; N 3
Nontraditional Exports Increase; Catholic Periodical

CENTRAL AMERICA

COSTA RICA

Foreign Debt, Finance Officials Negotiate Credits P 1
Central Bank Head on Renegotiating Debt With Mexico P 1
Former President Criticizes Policy Toward Nicaragua P 1

EL SALVADOR

Miptes Letter Addresses Duarte on Dialogue P 2
[EL MUNDO 21 Feb]
Subversives Destroy Coffee Processing Plant P 3
Powerline Sabotage Affects Capital, Elsewhere [Venceremos] P 3

GUATEMALA

More Flexibility Expected in Talks on Belize P 4
Finance Minister Figueroa Reports on European Tour P 4
URNG Communique on Intensifying Struggle P 5
Lebanese, Angolan Support Noted P 6
Briefs: Ambassador's Death P 6

NICARAGUA

Commander Pichardo on Possible Routes for Invasion P 6
[BARRICADA 21 Feb]
DPA Reviews Overall Situation P 7
Carrion Speaks on Anniversary of Sandino's Death P 9
U.S. Congressman Meets With Ortega, Others P 11
Venezuela's Herrera Said To Oppose U.S. Policy P 11
Assembly Member Denies Chemical Weapons Charges P 11
Response to Ortega-Productive Sector Meeting P 12
PSC President Comments [LA PRENSA 20 Feb] P 12
CTN Issues Communique [LA PRENSA 21 Feb] P 13
Eastern Cotton Harvest in 'Critical Condition' P 13
[LA PRENSA 21 Feb]
CDN Demands Dialogue at Press Conference P 14
[San Jose Radio Impacto]
Guerrilla Leader on New Anti-Sandinist Brigade P 15
[Panama City LA PRENSA 23 Feb]

CUBA

Havana Notes School of the Americas at Ft Benning Q 1
Television Report on Planned NATO Maneuver Q 1
Japanese Delegation Arrives for Conference Q 1
Technicians Improve Angolan Broadcasting Equipment Q 2
Teaching Contingent in Angola Writes Reports Q 2
Medal Bestowed on Soviet Naval Detachment Q 2
Nicaraguan Health Minister Arrives in Havana Q 2
Raul Castro Visits Defense Training Centers Q 3
Camaguey Cattlemen Take Measures Against Drought Q 3

CARIBBEAN

Leaders Ask Canada's Mulroney for Trade Pact S 1

GRENADA

Embassy To Be Established in Washington S 2

JAMAICA

Seaga Says Economy Recovers 'Dramatically' S 2

GUYANA

Jackson Denies Requests To Monitor Elections T 1
Three Sugar Workers' Unions Threaten Strike T 1
Parties Issue Texts of Letters on Unity Talks T 1

ALFONSIN TO DISCUSS HEMISPHERIC DIALOGUE IN U.S.

PY252218 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1438 GMT 25 Feb 85

[Text] Buenos Aires, 25 Feb (NA) -- The most outstanding aspects of President Raul Alfonsin's upcoming visit to the United States will probably be a call for a new continental dialogue between Washington and the Latin American countries, or at least the principal Latin American countries. This dialogue will encompass hemispheric security, economic relations, and the strengthening of democratic governments. According to reliable government sources, Foreign Minister Dante Caputo proposed this idea to U.S. Secretary of State George Shultz in April 1984, arguing that ever since the Alliance for Progress -- the program's results notwithstanding -- there has been no multilateral hemispheric dialogue for more than 2 decades.

The sources indicated that recently the Argentine Government received clear signals that the proposal has a strong chance of success and that in this regard the talks which President Alfonsin will hold in Brazil and Mexico before and after his visit to the United States, respectively, are of special significance. It has been explained that the Argentine proposal is based on the idea that regional stability depends on three inseparable elements, "democracy, development, and security," as opposed to the cut-and-dried premises regarding hemispheric security that are the core of U.S. foreign policy.

Currently, the epicenter of the hemispheric security policy of the United States is Nicaragua, the Argentine Government officials indicated, stressing that Washington has been told that Argentina will maintain its policy of nonintervention in the affairs of other nations. Washington has apparently been warned as well that any direct U.S. intervention in the Central American nation will cause serious problems for the domestic policies of the nations of the continent and will in all likelihood affect Inter-American relations for a long time.

Diplomatic sources have indicated that U.S. Government representatives have suggested discreetly but unmistakable that "it would be better" if during his talks with Ronald Reagan the Argentine chief executive did not emphasize his role as a representative of the so-called "Group Six," which advocates nuclear disarmament. The prevailing feeling in Washington is that when demanding disarmament, this group is inclined to criticize the United States more than the Soviet Union. The Argentine officials approached on this matter said that this issue would not be an obstacle for bilateral dialogue, but acknowledged that between the governments of Buenos Aires and Washington there is a marked difference of opinion regarding the militarization of space, or the so-called "strategic defense initiative," better known as "star wars," advocated by Reagan.

According to a report published by the newspaper CLARIN, the initiative for a new continental dialogue that Caputo proposed to Shultz in April 1984 quickly attracted the interest of the U.S. secretary of state, but the final decision in this regard is pending a more detailed report. The reason is that at that time the Buenos Aires government was zig-zagging between the IMF and the creditor banks seeking the refinancing of its debt, while Reagan was facing his second electoral contest.

The assessment made by the Argentine Foreign Ministry and presented to Shultz by Caputo last year shows that U.S. relations with the other American nations are characterized by weakness, which makes these ties subject to periodic crises. The Foreign Ministry assessment addes that this weakness contrasts with the solidarity of U.S. relations with Western Europe, where the existence of basic agreements, essentially those referring to security, ensures that the strength of these ties is maintained despite disagreements on fundamental issues. Caputo told Shultz that for 25 years, since President John Fitzgerald Kennedy promoted the Alliance for Progress, there has been no attempt at a comprehensive dialogue on future prospects between the United States and the countries of the region.

The Argentine analysis adds that the United States has neglected the projection of medium- and long-term policies in the hemisphere, and that its relations with nations of the continent are characterized by "circumstantial emergencies."

Beginning with this proposal, the Argentine Foreign Ministry will reportedly propose to the U.S. Government the creation of a "new climate" for considering common problems. It stresses the importance of this dialogue, which would include, in addition to Argentina and the United States, the three or four most important Latin American countries. The dialogue would deal with such subjects as continental security, the region's foreign debt, and the process of consolidating democracy in the continent. The Argentine Foreign Ministry notes that because of the structural economic inequalities between the United States and the other Latin Amerinan countries, this dialogue must be placed in a different context than that in which the United States places its relations with the European countries. The sources added that the main issues to be discussed during Alfonsin's visit to the United States will be:

The situation in Central America, namely in Nicaragua.
The Argentine nuclear development policy.
The negotiations for a political dialogue between creditors and debtors over the foreign debt of countries in the region.
The expansion of the U.S. market for Argentine products and the pursuit of U.S. investments in our country.
The prevention of impediments to Argentine cereal exports, the pillar of the Argentine effort to pay its foreign debt.
The exploitation of the possibility of Washington playing a role in the resumption of talks on the Malvinas Islands.

SAUDI ENVOY DENIES BLOCKING BEAGLE FOR BRITISH

PY251720 Buenos Aires Domestic Service in Spanish 1600 GMT 25 Feb 85

[Text] Senator Adolfo Gass of the Radical Party, referring to the Beagle issue, has said that he is convinced that there are enough votes to ratify the peace and friendship treaty with Chile. He added that the vote of Senate President Victor Martinez will not be necessary because there is enough of a majority to win.

He then referred to an accusation that the Saudi Arabian ambassador was trying to prevent the treaty with Chile from being signed. In this regard Gass said that he met with the ambassador who assured him that Saudi Arabia knows nothing about that charge, that the ambassador was very concerned, and that he asked him to deny the report because it is completely false.

INTERIOR MINISTRY SCORES CIED REPORT

PY231925 Buenos Aires TELAM in Spanish 0007 GMT 22 Feb 85

[Excerpt] Buenos Aires, 21 Feb (TELAMO -- The Interior Ministry reported today that the report prepared by the Center for Defense Research and Studies [CIED], warning against a subversive action in the country, shows an unmistakable desire to push Argentine society toward a scene of violence and terror. In a lengthy communique at the conclusion of a study of the CIED report published in the legal newspaper LA LEY on 31 January 1985, the Interior Ministry lamented the fact that some individuals are trying to confuse the people with unfounded and groundless arguments.

In its study, which has received much attention in the news media, the CIED denounced the alleged action of subversive elements in various sectors of the country, and annalyzed the ramifications in social organizations and in political parties and their international connections, thereby passing judgment on the security situation in Argentina.

In view of the publication, the Interior Ministry summoned the leaders of that organization to either ratify or rectify their remarks, and on two occasions directors Diego Martinez Estrada and Carlo Compte meet with Interior Ministry Under Secretary Raul Galvan.

In the communique, which harshly criticizes the study, the Interior Ministry states that those who orchestrate this type of psychological campaign are acting improperly because this type of campaign during the past few decades has been one of the plagues that have undermined the defense mechanism of the democratic society. The communique addes that under the current circumstances this defense mechanism is wholly insurmountable by either terrorism of the state or by those gangs of fanatics, regardless of their leanings. It addes that the national government has assumed it responsibilities but it also wishes that all sectors, and society as a whole, would do the same. It presupposes, among other things, maturity and objectivity in the publication of reports which hastily make whimsical conclusions and suppositions, seeking terror and confusion.

CIED Reaffirms Risk of Violence

PY232020 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2320 GMT 21 Feb 85

[Excerpt] Buenos Aires, 21 Feb (NA) -- In a note submitted to the Interior Ministry, the CIED has reaffirmed that there is a "security deficit" and a "good" possibility that Shining Path might be operating in the country. The CIED adds: "It is reasonable to believe that if the People's Revolutionary Army (ERP) were undergoing a reorganization process, its main recruitment efforts would be focused on the Intransigent Party." The CIED also reiterated its contention that solidarity and human rights organizations are being used by subversive groups, citing specifically the case of the Mothers of Plaza de Mayo. The CIED also stated that "it is our intention to issue a warning about the possible outbreak of violence and thus contribute to strengthening democracy in our country."

The CIED added: "Peace and democracy are basic national goals. We believe that the government must promote a broad public discussion on terrorism, which would be both serious and objective and from which conclusions could be drawn."

In the wake of the release by the Interior Ministry of a highly critical statement, the CIED disclosed this afternoon the note it had submitted on 12 February to Interior Ministry Under Secretary Raul Galvan. In that note, the CIED requested that "any comment the government would care to make on our opinions be made in the light" of the final document which is being prepared on a possible fresh outbreak of terrorism. The CIED stated that the controversial document published by the newspaper LA LEY, which provoked conflicting political reaction, was just a "working paper" for a broader, in-depth study.

IGLESIAS ROUCO ANALYZES PERSONNEL CHANGES

PY222104 Buenos Aires LA PRENSA in Spanish 21 Feb 85 p 1, 7

[Article by J. Iglesias Rouco: "Counteroffensive"]

[Excerpt] According to our sources and despite yesterday's denials, Government House has presumably decided to recall Mr Lucio Garcia del Solar immediately after the president's visit to the United States. Del Solar will occupy the post of secretary of foreign affairs; in other words, he will be Caputo's copilot and will thus be in charge of the secretariat that is still being managed by Mr Jorge Sabato, the secretariat that Mrs Kelly has just left vacant.

In turn, Mr Sabato will presumably replace Mr Constantini as the head of the National Atomic Energy Commission, where, by the way, he may encounter the counteroffensive of the consulting firms and engineers that were recently displaced by Constantini with the participation of the CONEA [as published; expansion unknown] enterprises. The fact that Garcia del Solar, who supports an improved understanding with the United States, and not only because he was ambassador there for 30 months, is now going to undertake an important job at the Foreign Ministry demonstrates that Caputo's "rapprochement" with the North Americans is based on more than words, although we insist that its real scope still remains to be seen. Anyway, Garcia del Solar is not Jorge Sabato and neither is he the Caputo that at the beginning of 1984 wanted Argentina to join the Contadora Group. In view of all this, the concerns of the Coordinating Board [a Radical Civic Union faction] and of the rest of the left, including their attacks on Grinspun, are now very well understood.

MORE ON PERON RESIGNATION AS JUSTICIALIST HEAD

PY222030 Buenos Aires BUENOS AIRES HERALD in English 22 Feb 85 p 1

[Text] (NA-DYN) -- The resignation of Mrs Maria Estela Martinez de Peron as president of both councils of the rival factions of the Justicialist Party was announced yesterday, depriving the movement of the name which has dominated Argentine politics for the last 40 years. The announcement of the resignation came from Sante Fe Governor Jose Maria Vernet, first vice-president of the council elected last December in the Odeon Theatre, and the other members of his council announced they would submit their resignations to the party congress today and invited their rivals to do the same. The members of the dissident council elected early this month in Rio Hondo, declared themselves in "permanent session" yesterday while urgent consultations were made to find a way to have Mrs Peron withdraw her resignation. The first vice-president of the Rio Hondo council, Senator Oraldo Britos, said his council would not resign, but believed Mrs Peron should change her mind.

The resignation dated February 4 in Madrid was received last week by Mrs Peron's administrator in Buenos Aires, Mrs Magdalena Alvarez de Seminario, who summoned labour leader Lorenzo Miguel, third vice president of the Odeon council, and Senator Britos to her home on Tuesday night. Britos said he was unable to keep the appointment but Miguel turned up with Vernet and was given a copy of the resignation, party sources said. They added [that] Britos received the original of the letter on Wednesday night. The resignation was addressed to "Messrs members of the Justicialist Party" Britos, Olga de Flores, Jose Manuel de la Sota, Miguel, "and others." Mrs Flores and De la Sota are third vice-president and secretary-general of the Rio Hondo Council, respectively. The letter said: "The purpose of this letter is to place at the disposal of the Justicialist Party my irrevocable resignation as president of the Justicialist Party, while wishing you the greatest success in your difficult and responsible task. May God keep you. Sincerely, M.E. de Peron."

Party leaders Pedro Arrighi and Juan Labake, both members of the Peronist high command set up by Mrs Peron during her visit here last May and June, immediately claimed the former president had resigned as president of the two councils but not as leader of the Justicialist movement. Labake said Mrs Peron could only resign the leadership of the movement "before the Argentine people." He said Mrs Peron was very displeased at the split in the party sparked by the walkout of about two thirds of the party delegates from the Odeon Theatre congress who later staged the Rio Hondo congress. He claimed she was also put out at the seemingly irreconcilable stances of the two sides and at the manner her name was being bandied about by being appointed president of the two councils. Britos claimed the fact most of the addressees in the letter belonged to his faction indicated Mrs Peron's tacit support was for the dissidents.

Vernet said Mrs Peron would continue being the badge of unity within the movement and called for a greater sense of responsibility among Peronists.

REPORT ON UPRISING OF ORURO REGIMENT DENIED

PY251922 La Paz Cadena Panamericana in Spanish 1700 GMT 25 Feb 85

[Text] A rumor from Oruro that the Topater Regiment staged an uprising has proved false. A rumor that began circulating in the past few hours claiming that Major Abel Elias was one of the alleged leaders of the military uprising has caused some concern among the citizenry.

The commander of the Oruro Military Region quickly refuted the rumor, which he said was groundless. In La Paz, Information Minister Mario Rueda Pena this morning spoke about this matter and expressed the government's skepticism that any such uprising had occurred. He said:

[Begin recording] I have absolutely no information concerning any alleged military uprising in Oruro. I do not believe that this is true. In any case, the veracity of this information [words indistinct]. [end recording]

ARMED FORCES REMOVED FROM ANTI-DRUG CAMPAIGN

PY222130 La Paz Cadena Panamericana in Spanish 1700 GMT 22 Feb 85

[Excerpt] The Armed Forces have been relieved from their struggle against drug trafficking in the Chapare region, Cochabamba Department. An anti-drug officer was killed during recent operations, and 90 persons were detained, but half of them later released while the rest were fined.

During these same operations, carried out during the past few weeks in (Piscal), (Coatacaqui), Tojo, and Chapare, the Armed Forces seized 70,000 grams of cocaine, and more than 300,000 Bolivian pesos, along with some foreign currency.

The president of the National Committee for the Struggle Against Drug Trafficking has reported that other operations were carried out in the districts of Santa Cruz where abandoned cocaine factories were found. He added that three groups of the Leopard regiment have been the object of kidnappings and torture on different occasions. One officer was executed in [word indistinct]. Simultaneous operations were carried out to resue the soldiers who had been kidnapped. [recorded passage indistinct]

COB REPORTEDLY TAKING OVER GOVERNMENT FUNCTIONS

PY212124 [Editorial report] La Paz Cadena Panamericana in Spanish at 1130 GMT on 21 February carried in its regular newscast two items that indicate that the Bolivian Labor Federation [COB] is taking over functions that apparently fall under the government's jurisdiction.

One of the items says: "The COB has announced that it has signed an agreement with a transportation cooperative in order to temporarily solve the public transport problem in La Paz. As of noon tomorrow, 46 big buses will begin serving the trunk lines starting at Plaza San Francisco." According to the other news item, the COB is taking charge of the distribution of staples to poor districts in La Paz. A recorded statement by COB leader Angel Zavala says: "In the face of this [words indistinct] problem, we have decided to send sugar to various (?districts) where the orderly behavior of the housewives has permitted the efficient distribution of sugar. We obviously have had to distribute limited amounts to provide enough for everyone."

Distributes Sugar, Foodstuffs

PY221600 La Paz Cadena Panamericana in Spanish 1130 GMT 22 Feb 85

[Text] According to recently broadcast reports, the COB has been accused of undertaking work not authorized by the government: the distribution of foodstuffs among the poorest sectors of the country. Jose Maria Palacios, member of the COB supply committee, will give us further details on what has happened in the past few days.

[Begin recording] Because of the government's negligence and its incapacity, reflected in the tremendous measures adopted lately by the executive branch, the COB has felt the need to participate in solving the problem of shortages and distribution of some staples. Thus, the supply commission has decided to distribute 100,000 kg of sugar in La Paz and in the most populated areas, and to make the government clearly understand that these problems can be solved and that speculation and the smuggling of these products to other places must be prevented. [end recording]

Palacios further explains to Radio Panamericana the task that the COB has undertaken in distributing foodstuffs among the people:

[Begin recording] The distribution of foodstuffs among the people has been carried out with great discipline, and we feel that we have managed to overcome, at least temporarily, the sugar shortage. [end recording]

This position adopted by the COB has been annoying the executive branch. The COB has taken over new functions, because it feels that the government is not using its authority and is permitting the smuggling of foodstuffs to other places. The COB has confirmed that it will continue to find solutions to the most serious problems affecting the country.

Rejects 500-Percent Fare Increase

PY250052 Madrid EFE in Spanish 2105 GMT 24 Feb 85

[Text] La Paz, 24 Feb (EFE) -- The transportation strike that crippled activities in the Bolivian capital for 23 days ended today with the signing of an agreement that establishes a new fare scale. The strike by the National Drivers Confederation, which demanded fare increases of more than 800 percent, began on 1 February. After affirming that it would not give in to pressure from the bus drivers, the government today signed an agreement granting urban bus fare increases of more than 500 percent.

Shortly after the signing of the agreement became public, the COB announced its rejection of the fare increase, as did the leaders of the La Paz neighborhood committees. This fare increase means that workers will have to spend more than 50 percent of their salaries on transportation, representing a blow to the already meager family budget, as pointed out by those leaders. Although not announcing any concrete countermeasures, the COB said that it will use all possible means to avoid paying fares it considers excessively high.

GOVERNMENT DENOUNCES ELECTORAL COURT STATEMENT

PY221945 La Paz Cadena Panamericana in Spanish 1700 GMT 22 Feb 85

[Excerpt] Information Minister Mario Rueda Pena has stated that the smear campaign unleashed by the National Electoral Court regarding the recent government decision on election funding was merely a political objective. It must become clear that the Electoral Court only intends to discredit the government of President Hernan Siles Zuazo. The denunciation was made by the government's official spokesman in a press conference during which the government announced that the disbursement of the economic budget for the Electoral Court is being carried out normally.

POLITICAL PARTIES REGISTER FOR JUNE ELECTIONS

PY231807 La Paz PRESENCIA in Spanish 12 Feb 85 p 1

[Excerpt] Official spokesman have reported that so far, a total of 15 political parties have registered at the National Electoral Court for the general and municipal elections to be held on 16 June.

According to the information given to PRESENCIA, the registered parties are: the Revolutionary Front of the Left (FRI); the Christian Democratic Party (PDC); the Movement of Revolutionary Nationalist Unity and Renewal; the Bolivian Communist Party (PCB); the Socialist Party-One (PS-1, Roger Cortez faction); the Socialist Party-One (PS-1, Jose M. Palacios faction); the Party of the Revolutionary Left (PIR); the Tupac Katari Indian Movement (MITKA); the Socialist Party (PS, Aponte Burela faction); the Barrientist Party (PB); the Indian Party (PI, Sebastian Mamani faction); the Indian Party (PI, Ramos Conde faction); the Tupac Katari Revolutionary Movement (MRTK); the Movement of the Revolutionary Left (MIR); and the Revolutionary Humanist Action.

POPE REPORTEDLY TURNS DOWN PINOCHET INVITATION

PY231625 Madrid EFE in Spanish 1322 GMT 23 Feb 85

[Text] Geneva, 23 Feb (EFE) -- The Ecumenical Council of Churches has reported that Pope John Paul II has turned down an official invitation by President Augusto Pinochet to visit Chile because of the constant human rights violations in that country. This was explained by Msgr Prigione, the apostolic delegate in Mexico, in statements to a Mexican daily, according to a report today in SOEPI, the information organ of the council headquarted in Geneva.

The invitation of the Chilean military junta president to the pope was aimed at "establishing a direct link between Santiago and the Vatican, above the heads of the Chilean bishops who last year expressed their opposition to the domestic policy of the military regime," he added. He recalled that Msgr Fresno Larrain, the archbishop of Santiago, has condemned through a pastoral letter the state of seige, the measures of repression, the persecutions, and the mass detentions in the Santiago slums. In its last issue, SOEPI also states that the government continues exercising with impunity its measures of intimidation against the Chilean clergy, such as the attack on 11 January against Msgr Sergio Contreras Navia, secretary of the Chilean Episcopal Conference.

Vatican Denies Report

PY251150 Santiago Domestic Service in Spanish 1000 GMT 25 Feb 85

[Text] The Vatican has categorically denied a report that the pope has refused to visit Chile. The strong denial was made by Joaquin Navarro, official spokesman of the Holy See. He thus denied a malicious report published by the daily LA STAMPA of Turin. According to that report, Pope John Paul II has turned down an invitation by President Augusto Pinochet to visit Chile. The report is groundless and false, the spokesman said when commenting on the report in the Turin daily.

MOTLEY VISIT VIEWED AS 'NOT VERY SUCCESSFUL'

PY252252 Buenos Aires Domestic Service in Spanish 1600 GMT 25 Feb 85

[Report by Constanza Pati Pena from the Journalists Association in Santiago]

[Excerpt] Despite the great secrecy surrounding the visit by President Reagan's envoy, Langhorne Motley, it has been leaked that the envoy was not very successful in his dealings in our country. According to reliable sources, Motley held meetings with top Democratic Alliance [AD] leaders to urge them to hold talks with the government and to look for a solution within the boundaries of the institutionalization proposed by General Pinochet. However, the AD response was categorical, stating that within the dictatorship's Constitution, there is no way out. Much the same thing also reportedly occurred in his meetings with professional and trade union leaders when they told Motley that Pinochet's dictatorship, and not the Communists, is the problem troubling Chile.

In turn, during a brief press conference held shortly before boarding his airplane, Motley stated that Chile's destiny is in the hands of the Chileans, which, in the opinion of some oppositon leaders, is the only statement that the U.S. envoy could have made.

GOVERNMENT SAYS GUERRILLA GROUPS MUST DISARM

PA221736 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 22 Feb 85

[Text] Bogota -- The govenrment has told the guerrillas that they must lay down their arms if they wish to return to civilian life. Government Minister Jaime Castro conveyed this message and announced that a document addressed to the National Dialogue Commission will be issued today. That document will outline official views regarding the functioning of negotiating organizations that will deal with the insurgents. Minister Castro warned that the subversive groups must lay down their arms to negotiate with the government if they really want to establish a political party or group. The government minister also said that we must now discuss the disarmament issue and that the guerrilla organizations could make suggestions as to what mechanisms could be used, including a tribunal to guarantee and facilitate their disarmament.

M-19 Calls for Public Debate

PA251159 Madrid EFE in Spanish 1714 GMT 23 Feb 85

[Text] Bogota, 23 Feb (EFE) -- The 19 April Movement [M-19] of Colombia today proposed that a public debate be held to discuss the dates and the conditions under which it would be prepared to surrender its arms and rejoin society. Carlos Alonso Lucio, a spokesman for the M-19, has said he believes such debates are necessary "to make known" the conditions under which the guerrilla organization would disarm itself.

Representatives of the Popular Liberation Army (EPL), the Revolutionary Armed Forces of Colombia (FARC), and the Workers Self-Defense also maintain this position. They believe that disarmament "is implicit in the truce and cease-fire agreement that have been signed with the government, as long as the conditions are suitable."

According to an M-19 representative, the coinciding positions are a result of the "national dialogue" in which leaders of these groups are participating. These groups want political, social and economic changes in the country. In other words, they want "the eradiction of the conditions that produced the guerrillas," the M-19 spokesman said.

Govenment Minister Jaime Castro warned the guerrilla groups last Thursday that they cannot engage in political proselytism while being armed and suggested that the arms be surrendered. Castro said at a meeting of the Dialogue and Verification Commission: "Throw them away, give them to a guarantor, give them to a museum, throw them to the sea." The minister made this statement after Senator German Bula Hoyos, coordinator of the "national dialogue," spoke on the subject and the guerrillas accepted his suggestions.

Jaime Castro said that if the guerrillas who signed the pacts are to reintegrate themselves into society and participate in legal political activities, then "there must not be any party, with any armed branch because this will not be allowed."

M-19 spokesman Carlos Alonso Lucio agreed with Minister Castro and affirmed that it is "necessary to begin speaking publicly about the disarming of the groups and of their entering legal life democratically with the creation of new parties."

Today the government minister will deliver to the Dialogue and Verification Commission a document on the executive branch's position in this regard.

ELN, M-19 Said to Refuse

PA251259 Bogota Radio Sutatenza in Spanish 1218 GMT 25 Feb 85

[Text] Bogota -- The National Liberation Army, ELN, and the M-19 have made known their reaction to the government's proposal that guerrilla groups lay down their weapons. The M-19 has stated that it will definitely not turn in its rifles or disband its armed forces until economic, social, and political conditions in the country change. The ELN expressed a similar stance during a press conference called by its national leadership and headed by guerrilla commanders who identified themselves as Marcos, Alfredo, and Humberto.

BETANCUR MEETS NETHERLANDS ANTILLES PREMIER

PA251944 Bogota Domestic Service in Spanish 1730 GMT 25 Feb 85

[Report by unidentified press officer at the Presidency in Bogota -- live]

[Text] At this time Colombian President Belisario Betancur is receiving a courtesty call by Maria Liberia-Peters, prime minister of the Netherlands Antilles, who is making a state visit to Colombia. Right now the two heads of state are meeting in private. At 1300 President Betancur will host a luncheon in honor of the visiting leader here at Narino Palace. During their meeting the Colombian president and the Netherlands Antillean prime minister are to discuss bilateral matters, focusing on the expansion of cultural, educational, and commercial relations.

BOMB DEACTIVATED AT SITE OF PRESIDENTIAL EVENT

PA251528 Madrid EFE in Spanish 1455 GMT 25 Feb 85

[Text] Barranquilla, 25 Feb (EFE) -- Agents of the Colombian secret police, F-2, anti-explosives group deactivated a high-powered bomb on the train tracks leading to Puerto Bolivar on Saturday, 23 February, before President Belisario Betancur arrived there, it was learned here today. The Colombian chief of state was in Puerto Bolivar to inaugurate the exportation of coal from the "El Cerrejon" mine, which shipped 27,000 tons to the United States, specifically to the Florida Power Corporation.

The bomb was discovered by security personnel of the coal mine located in the Colombian Guajira, in the northern part of the country. The coal project is run by "Colombia Coals" [Carbones de Colombia -- Carbocol] and a U.S. affiliate of the U.S. Exxon, the "Intercor," in what constitutes one of the most ambitious economic projects in Colombia. The explosive device was detected through photographs taken from helicopters, the F-2 confirmed today. The bomb had been placed on one side of the track from "El Cerrejon" mine to Puerto Bolivar, from where the shipments are made. Apparently North Americans working in "El Cerrejon" complex detected the powerful explosive charge placed alongside a poster reading: "No to extradition" and "Gringos out of the country."

In addition to the bomb, which could have killed President Belisario Betancur and national and international newsmen who were covering the important ceremony described as "a landmark in Colombia's economic history" by Betancur, some disconnected underground wiring was also found.

Explosives experts claim that had the bomb exploded, it would have completely destroyed the area near the train that made its first official run on Saturday. Police sources said that the terrorist act might have been directed at "sabotaging the enterprise being carried out jointly by North Americans and Colombians in El Cerrejon and thus end a project that would reverse the country's economy." The bomb was found at the far side of the bridge at km 7 of the railroad track between the mouth of "El Cerrejon" coal mine and Puerto Bolivar.

The possibility was not dismissed that the drug trafficking mafia, which killed Justice Minister Rodrigo Lara Bonilla on the night of 30 April 1984 and has threatened President Belisario Betancur on several occasions for his staunch struggle against the drug traffickers, may be behind the thwarted attack.

Drug Traffickers Suspected

PA251537 Madrid EFE in Spanish 1517 GMT 25 Feb 85

[Text] Bogota 25 Feb (EFE) -- The Colombian police have confirmed to EFE their suspicion that drug traffickers had attempted to blow up a stretch of railroad from "El Cerrejon" to Puerto Bolivar with 1,000 kilos of dynamite when President Belisario Betancur was there. The F-2 secret police also confirmed the discovery of the huge dynamite charge only a few hours before President Betancur and his retinue visited the zone to inaugurate coal exportation. The dynamite was tied to the railroad track in four places where the train was to pass with the coal shipment.

Foreseeing any eventuality, Betancur's arrival in Puerto Bolivar was preceded by the presence in the region of 500 security agents posing as invited guests at the ceremony, which together with other measures taken, permitted them to foil the attack. Vigilance has been intensified along the 120-km-long train track and all security measures have been tightened.

Several days prior to the inauguration of coal exportations of Saturday, 23 February, presided over by President Belisario Betancur, there were small protest demonstrations in several regions of the Colombian Guajira against the participation of North Americans in the coal exploitation project.

SIX ARRESTED FOR PLANNING ATTACK ON ECOPETROL

PA260305 Bogota EL SIGLO in Spanish 21 Feb 85 p 1

[Text] A vast terrorist plan was uncovered yesterday in Barrancabermeja, where a subversive group was planning to blow up Colombian Petroleum Enterprise [Ecopetrol] refinery installations.

According to military reports, six persons were arrested during a raid on the headquarters of the Revolutionary Labor Movement of Ecopetrol Workers, which was planning to carry out a terrorist action against Ecopetrol installations.

The official report says that a large quantity of arms, chemicals for making bombs, ammunition, and explosives was seized from the persons arrested.

They were planning to blow up the transformers of the refineries and place bombs in the homes of Ecopetrol directors. The men arrested were identified as Roberto Camacho, Jairo Sedano, Alfredo Prado, Hector Agamez, and Daniel Romero.

ARMY, POLICE DISMANTLE COCA PLANTATIONS

PA250311 Bogota EL TIEMPO in Spanish 19 Feb 85 p 14 C

[Text] Defense Ministry sources have reported that the Army has discovered a truly "independent republic" of drug traffickers in the Chibiriquete mountain range, on the border between Guaviare Commissariat and Caqueta Department. The discovery was made after a number of joint Army and police operations that resulted in the dismantling of a number of villages in which there were "kitchens" for processing coca leaves. "Hundreds of hectares were planted with coca," the military source said, noting that the drug traffickers have built a complex for the production of cocaine paste, which they later send to other countries for processing.

The source added that the largest coca plantations were located on two strips of land located near the Yari plains and extending toward Amazons and Vaupes. It was on the banks of the Yari River where in 1984 the police found the largest coca processing centers in the world, known as "Tranquilandia" and "Villacoca."

The spokesman added that it was discovered that the Revolutionary Armed Forces of Colombia were demanding a 30-percent share of total production from the owners of the coca plantations.

Members of the anti-drug group of the national police and troops attached to the Serviez Battalion, which is headquartered in Villavicencio, participated in the operations.

Defense Minister General Miguel Vega Uribe presented a detailed report on the case to the National Drug Council, which held a meeting yesterday in Bogota. Gen Vega Uribe admitted to newsmen that it is difficult to fight drug trafficking, but said that it can be eradicated in the future with the citizens' help.

No arrests were made during the operations because the "dog washers" [lavaperros] who work in the area build pathways to escape easily through the jungle and avoid arrest by the authorities. A source who participated in the operation said that the villages were hidden deep in the jungle and the roofs of the houses were painted green to prevent detection by air.

The military sources explained that the drug traffickers had been gradually seizing large expanses of the jungle in order to expand the coca plantations and make up for the blows they sustained at Yari and Amorua.

ARMED FORCES CHIEF REPLACED DUE TO ILLNESS

PA242105 Bogota Cadena Radial Super in Spanish 1730 GMT 23 Feb 85

[Text] Bogota -- It has been reported that General Rafael Obdulio Forero Moreno will stay at least 2 months at a U.S. medical center, where he is receiving treatment for a heart ailment that has kept him from work since December. It has been unofficially reported that Gen Forero Moreno will return to civilian life after the treatments conclude, because the pressures of military duties seriously risk a relapse in his heart condition. Gen Rafael Obdulio Forero Moreno will be replaced by Major General Augusto Moreno, current commander general of the Air Force, as commander of the Colombian Armed Forces.

EMERGENCY MEASURES IMPLEMENTED TO CONTROL DROUGHT

PA200211 Quito Voz de los Andes in Spanish 1130 GMT 19 Feb 85

[Text] The government has taken emergency measures to cope with the drought that is affecting large sectors of the country, mainly the Ecuadoran coast. Among the measures being implemented are irrigation, the drilling of wells, and a canal drainage project. The National Public Administration Secretariat reported that thousands of hectares will be irrigated to save early crops.

With the cooperation of the rehabilitation center in Manabi Province, the province most affected by the drought, the Agriculture Ministry has already implemented the emergency measures. For instance, the old abandoned drainage canals have been put to work again. Other measures will consist of increasing the water volume in reservoirs and maintaining the water levels in the Portoviejo River Valley dams and the dam in La Estancilla on the Carrizal River.

The Portoviejo River Valley and La Estancilla are the most suitable locations for carrying out the irrigation projects. Meanwhile, breakwaters will be built in northern Manabi Province to control the course of the waters.

BRIEFS

OIL PRODUCTION TO INCREASE -- Xavier Espinosa, natural resources and energy minister, has reported that this year Ecuador's production of crude oil will increase by 8,000 barrels daily. He said this new volume of oil will come from the northeastern fields operated by the Ecuadoran State Petroleum Corporation, CEPE, and from the Bermejo field. The minister said that CEPE is conducting the necessary studies to drill four wells that in future will increase national production by 10,000 barrels daily. [Summary] [Quito Voz de los Andes in Spanish 1230 GMT 17 Feb 85 PA]

INCREASED OIL RESERVES -- The National Secretariat of Public Information has reported that the country's proven reserves increased to 210 billion barrels according to technical studies conducted in Houston, Texas, with the participation of the National Directorate of Hydrocarbons, CEPE, and Texaco. At the first press conference held by Natural Resources and Energy Minister Xavier Espinosa with local and foreign reporters, he stressed that the reserves barely reached 180 billion barrels. Now, this figure is 210 billion barrels. [Text] [Quito Voz de los Andes in Spanish 1230 GMT 24 Feb 85 PA]

CONADE SECRETARY GENERAL APPOINTED -- President Leon Febres Cordero has issued an executive decree appointing Dr Oswaldo Davila Andrade as secretary general for planning in the National Development Council, Conade. [Summary] [Quito Radio Quito in Spanish 2300 GMT 20 Feb 85 PA]

DAULE-PERIPA DAM CONSTRUCTION -- Economist Carlos Julio Emanuel, general manager of the Central Bank, has announced the signing of a $175-million loan with the IDB to finalize construction of the Daule-Peripa Dam, also known as Jaime Roldos Dam in honor of the late president who initiated its construction. This constitutes the first phase of a project to rechannel the Guayas River. Among other benefits, it will facilitate water control in the region and thus prevent floods and cyclical droughts in the Daule Valley. This is an important project because 50 percent of Ecuador's arable land, 40 percent of its population, and the country's main fluvial system are located in this region. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 20 Feb 85 PA]

EXPELLED SPANISH PRIEST RETURNS TO ASUNCION

PY222150 Madrid EFE in Spanish 1235 GMT 22 Feb 85

[Text] Asuncion, 22 Feb (EFE) -- Juan Antonio Lucas, the Spanish priest who was expelled by the government on 15 Februray because of problems with his identity documents, has returned to Asuncion to regularize his situation and continue his religious and teaching activities in the country.

Sources of the Sacred Heart Order today confirmed to EFE that Lucas was in the city, but no official information has been released. Lucas will obtain new residency documents for Paraguay and members of his order hope to have a decision by 25 or 26 February. Congregation sources have stated that for the time being they are waiting. Lucas was sent to Argentina last week, after having lived in Paraguay for 13 years, because he lacked the appropriate identity documents.

Interior Minister Sabino Augusto Montanaro has stated that Lucas can live in Paraguay as long as he obtains his identity documents, which had expired 3 years ago, and that his leaving the country was not for political reasons.

Expelled Again

PY251220 Asuncion ULTIMA HORA in Spanish 23 Feb 85 p 10

[Text] Spanish priest Juan Antonio Lucas has been expelled from the country once again. Interior Ministry officials and two priests of the Sacred Heart Order accompanied Father Lucas to the Argentine border yesterday.

Father Lucas was expelled from Paraguay on Thursday, 14 February, and returned on 20 February on the strength of statements by government officials to the press to the effect that he could return once his documents had been updated.

Church sources explained to this newspaper that it is true that on the day he was expelled the priest's residence papers were not in order (they expired in 1982) "but he does have his identity card," according to his order. The sources also showed ULTIMA HORA a photocopy of the identity card. Meanwhile, it has been reported that Father Gabanes, superior of the Sacred Heart Order, has met with Interior Minister Sabino Augusto Montanaro who told him that Father Lucas was expelled for several reasons but he did not sufficiently clarify them. In the meantime sources of the order have told us that Father Lucas will remain in Formosa with the Franciscan fathers until this matter, officially a problem with the father's documents, is cleared up once and for all. The information which this newspaper gathered this morning is that the priest left through Puerto Falcon. For the time being, Father Lucas will be serving the community of Formosa.

BRIEFS

NEW PHILIPPINE AMBASSADOR -- The new Philippine ambassador to Paraguay, Trinidad Q. Alconcel, presented his credentials to President Alfredo Stroessner on 8 February. [Summary] [Asuncion ULTIMA HORA in Spanish 8 Feb 85 p 10]

ENERGY PRICE SET -- The executive board of the Itaipu Binational Enterprise has set the temporary price of energy from the Itaipu hydroelectric dam at $0.02 per kilowatt. [Summary] [Asuncion EL DIARIO in Spanish 13 February 85 p 8 PY]

BELAUNDE ON DANGER OF SUPERPOWERS RIVALRY

PY251335 Lima Cadena Panamericana Television in Spanish 0200 GMT 24 Feb 85

[Text] International sabotage and terrorism, combined with the rivalry and ambition of the superpowers, are the causes of the Third World's problems, said President Fernando Belaunde when he opened the Second International San Martiano Seminar.

[Begin recording] It is very encouraging to celebrate this 50th anniversary because there is proof that the flame is still alight, a flame that should never be extinguished because, and here I will paraphrase Ortega y Gasset, peace has to be maintained, continued and renewed, therefore, freedom has to be looked after, watched, maintained and updated. The freedom of the Third World, especially the Spanish-speaking countries, is threatened by problems that are foreign to it, the ambition and rivalry of the superpowers. At this time the danger is not in the domestic conflicts between neighbors, which are now quite dated, it is in the introduction of factors of discord such as terrorism and sabotage in order to establish in countries that love peace, potential battlefields of a foreign war which is truly repudiated by our countries. This is the true danger of our times. The war created in the interior of a country by abusing freedom and which is introduced through many channels to countries that are free means a real and permanent threat so serious that if San Martin were alive today he would be ready to guard against this threat. [end recording]

APRA CANDIDATE GARCIA ON NEED FOR UNITY

PY251700 Lima Cadena Panamericana Television in Spanish 0200 GMT 25 Feb 85

["Excerpts" of speech by Alan Garcia, presidential candidate of the American Popular Revolutionary Alliance [APRA] at 22 February rally commemorating 90th birthday of APRA founder Raul Haya de la Torre -- recorded]

[Text] The APRA party on 22 February held its largest and most important meeting of the current election campaign. It was held on the 90th anniversary of Raul Haya de la Torre's birth. Alan Garcia was particularly cautious, pragmatic, and calm when he said that his government would not be a one-party government, that it would be a social democratic government for all Peruvians. He also gave his word of honor that there would be unrestricted freedom of the press.

Let us listen to some excerpts from that speech:

[Begin recording] [Cheers, chants] Comrades: On this solemn night I wish to reiterate to the APRA people in the memory of Haya de la Torre, and before God, that I am the APRA's candidate, but my commitment is with Peru and all Peruvians without exception. [applause] The memory of Haya de la Torre is also a message for unity, because the government cannot belong to a certain group or man. The government must be made up of all intelligent people and all the honest and capable men of our fatherland. The government must be the center of the calls for great national objectives. This is my message: Let us unite in order to defend Peru from the external debt; let us unite to defend the people from hunger; and let us unite to defend ourselves from violence that is emerging.

I hereby greet, on this night of fraternity, all the other candidates, recognizing their virtues, not their defects, because I do not seek evil, I seek to build a new government with all of them. [applause]

My fellow citizens [chants, cheers, and applause] here are my greetings to all the other candidates and my call for national agreement. This is a time that demands agreement, it is not a time for debate, ridicule, or for seeking notoriety. It is a time for implementing the great national objectives. It is a time to talk without resentment, to talk with the generosity and humility of the Peruvian people. I wish to repeat Haya de la Torre's example here. I do not acknowledge any enemy. I do not acknowledge any enemy by name. I, like all of you, have only the enemy of underdevelopment, poverty, misery, and exploitation. [applause, chants]

We are going to ask for foreign captial, not to bow before our creditors but to deal with them as equals, with the pride of a popular government that knows that it is strong, firm, and which knows that it has the right to manage the development of its fatherland. [applause] The foreign debt is the topic of the day. This is the foreign debt which years ago the government refused to renegotiate when we proposed a solution. This is the foreign debt which now has complicated our situation, because we are forced into debt to the banks, thus sacrificing our childrens' food. Because of the foreign debt every Peruvian household owes more than 20 million soles abroad. We hope that the next government will know how to deal with the international banking and financial sector in regard to this foreign debt, which we view with a national outlook. And, we hope that the next government will give priority to Peruvian development and hunger. We will propose that not more than 20 percent of Peruvian exports be used to service the debt, because the price of our copper, fish meal, coffee and cotton d oends on this. We will demand longer payment periods and lower interest rates, but will try and do so with other countries, because an isolated country is easy prey for the enormous financial wealth of the banks. I say we recognize the poverty of our country as a terrible problem and tell the banking sector that we will pay, but not under the conditions that it wants, because before we pay the foreign debt we have to pay the national debt of hunger, grief, food, and unemployment. Therefore, I wish to recall that the APRA emerged as a movement for continental integration and for economic agreement among all our countries in order to face common problems. And, at this time, the problem is the foreign debt.

We are going to call on other countries to unify, to create a Latin America that is willing to defend itself. This is the concept of our nationalism or nonalignment without imperialist hegemony. Within this Third World ideal tonight I greet our great Argentine friend Raul Alfonsin; our sister Venezuela, its Democrat Action and Jaime Lusinchi; the democratic dawning that today is emerging in the figure of Tancredo Neves in Brazil [applause]; the very hard struggle of the Chilean people against their dictatorship; and I thus greet the possibility that with them, based on Haya de la Torre's old call, we can act together to defend our countries and to get respect.

This is the nationalism that I propose and tonight I want to ask you if you agree with a nationalism that will defend our industry and give work to all Peruvians? [crowd chants "Yes"] Do you agree with a nationalism that will help our agriculture and that will give us food?[crowd chants "Yes"] Do you agree with a nationalism that will defend our natural wealth? [crowd chants "Yes"] And do you agree with a nationalism that will make us stand firm, decided, when facing the foreign debt? [crowd chants "Yes"] Well then, shout this message and call on all Peruvians to begin the great transformation that we need. [applause] We want the change to occur within democracy. We do not want the intolerance of the single party that some people are proposing or that at one time was used. We want a democracy with freedom of expression and with an absolute, unrestricted freedom of the press and here and now I assume this as a personal commitment before all of Peru and in the name of my party. We want a democracy with political pluralism, with the right to join a union and with the right to strike. We want a democracy in which the citizens organize themselves against excesses of power. That is democracy. [end recording]

'NEW WAVE' OF SHINING PATH ATTACKS FORESEEN

PY221930 Madrid EFE in Spanish 0441 GMT 22 Feb 85

[Text] Lima, 21 Feb (EFE) -- Three recent explosions causing property damage in different places in Lima have announced a new wave of attacks by the Shining Path, according to our first reports. The Andina State News Agency has confirmed that two terrorists and a woman died as a result of the police operations conducted after the explosions. Two banks, an office belonging to the ruling party Popular Action (AP), and an office of the Popular Christian Party were the targets of dynamite attacks that started at 2130 on 21 February. A policeman who took part in the operations after the explosions said that an encounter with the terrorists had occurred on a road connecting Lima to the port of El Callao. As a result of this encounter, three alleged terrorists were detained but two of them died as a consequence of their wounds. They found two FAL assault rifles and many explosives inside the terrorists' car, the policemen said.

A police raid was conducted in the Villa Maria del Triunfo neighbourhood, where the AP office is located, and 12 persons, whose identities were not revealed, were detained.

Meanwhile, Lima Channel 5 Television reported that a policeman, 9 peasants, and 12 terrorists died in various encounters in the last few days. The 12 terrorists and Civil Guard Gregorio Soto died during an encounter in the Andean city of Otuzco, in Libertad Department, 650 km north of Lima, on 19 February. The same source also reported that nine members of a peasant vigilante group were slain by Shining Path terrorists in the town of Tinyas, in Ayacucho Department, 575 km southeast of Lima, but the date of the encounter was not revealed.

The peasant vigilante groups, which are organized with military approval in the zones where the terrorist Shining Path groups are most active, have been harshly attacked by these Maoist guerrillas, in the last few months.

Townspeople Flee

PY221606 Lima Cadena Panamericana Television in Spanish 0200 GMT 22 Feb 85

[Text] All the inhabitants of the town of (Giclacayan), in the western central part of Huanuco Department, have fled from their town because of the violent terrorist attacks. About 15 armed terrorists attacked this town and killed Deputy Mayor Angel Mino in cold blood.

Fortunato Rodriguez, and cameraman Hugo Llanos, our correspondents in Cerro de Pasco, obtained an extraordinary report by risking their lives as they followed a terrorist column. We have impressive pictures of the search for the Shining Path terrorists, and an interview with Federico Mino, brother of the slain mayor, who is one of the few people who remain in town.

[Begin recording] [Rodriguez] Could you tell us what happened, and why the deputy mayor was killed?

[Unidentified speaker] The Shining Path group arrive in (Giclacayan) at around 2230. They seized the deputy mayor and his son and pulled them out of their home. They shot them in the head, but the son was only wounded.

After that, the terrorists continued searching for the mayor, and at that moment we [presumably the Civil Guard] arrived in the town, because we had been told immediately that there was a terrorist attack going on. He died precisely as they were blowing up the house of a Mr Sinchez. After that, we followed them to (Huamarca), but unfortunately the terrorists had horses and mules, so we could not overtake them.

[Rodriguez] How many terrorists were there?

[Unidentified speaker] About 20 or 23, according to reports by witnesses who saw the terrorists last night.

[Change to interview with Federico Mino]

[Rodriguez] At what time did they kill the deputy mayor?

[Federico Mino] It was around 2230.

[Rodriguez] What was the reason?

[Mino] The reason? It was for political reasons.

[Rodriguez] What party did he belong to?

[Mino] He belonged to the Popular Christian Party.

[Rodriguez] How many were they?

[Mino] There were about 13 or 15 men.

[Rodriguez] Were there any women among them?

[Mino] No, only men were seen at the time.

[Rodriguez] Where did they kill him?

[Mino] In the Plaza de Armas.

[Rodriguez] Didn't they try him in an assembly first?

[Mino] No, they did not. They just took him from his home and shot him in the square.

[Rodriguez] What did the Shining Path men say?

[Mino] They said that they were for the armed fight and that is all, nothing else.

[Rodriguez] This town has been deserted by its inhabitants. Why?

[Mino] Yes, it has, on account of the terrorists. The residents are scared of the terrorists. In a short while the residents will all have (?returned). [end of interview]

[Rodriguez] [Machine gun fire heard] Right now the Civil Guard is fighting with the Shining Path. This is a really dangerous moment. [end recording]

SANGUINETTI COMMENTS ON ECONOMY, AMNESTY

PA212157 Caracas EL NACIONAL in Spanish 11 Feb 85 p D 2

[Interview with President-elect Julio Mario Sanguinetti by Alfredo Pena; date and place not given]

[Text] [Pena] Uruguay's foreign debt exceeds $5 billion. Its export income totals $1 billion. How will you confront this situation?

[Sanguinetti] Uruguay's economic picture is terrible. In addition to what you have pointed out, we have a real budget that is 50 percent lower than it was at the beginning of the military government term and a 40-percent budget deficit. If to this we add the 15-percent unemployment rate, we will see that the situation is very difficult. The foreign debt leaves us with the following option: to pay about $600 million this year in services and to spend about $300 million for oil. This would mean that after paying interest and buying oil, the country would come to a halt. Circumstances behoove us to seek refinancing to win time while we seek economic reactivation.

[Pena] Hasn't the military government done anything about it?

[Sanguinetti] It obtained a postponement of the negotiation until June so we will be able to hold discussions with the IMF and the creditor banks.

[Pena] Will your government seek a renegotiation within the framework of the Cartagena Consensus or on a bilateral basis?

[Sanguinetti] We have to do both. We have to attend to our own situation because it is very clear that most countries have already concluded their refinancing. Logically, Uruguay cannot just give up on its debt, it will look for help and support through solidarity and all joint actions.

[Pena] What position will your government adopt at the debtors' meeting in Santo Domingo?

[Sanguinetti] One of active Latin American solidarity.

[Pena] Some claim that negotiations must be conducted as a bloc; others that each country must negotiate on its own.

[Sanguinetti] I would say that it is best for us to negotiate as a bloc. That is the path that Latin America will eventually have to take. But this requires a general consensus. It is a fact that bilateral negotiations have been conducted.

[Pena] A few months ago, when they met in London, the creditors warned that they would negotiate with each debtor separately and that the outcome would depend entirely on each country's behavior. The views of the powerful have prevailed.

[Sanguinetti] That is exactly so. The fact is that the democratic government will join these discussions in the midst of a very advanced situation. The larger Latin American countries have sought their own paths.

[Pena] If each has had the decision made concerning it; what is the purpose of those meetings of the creditors who signed the Cartagena Consensus?

[Sanguinetti] The meetings make sense since these things are not developed until awareness and a climate that will make them possible are created. One must be realistic: Unless the larger Latin American countries join in this effort, we, the smaller economies, will have no chance to change the outcome. This is not a problem of sovereignty, but a fact. This does not mean that we are worth less, but we do have less of an effect on this type of thing. Unless Brazil, Argentina, Mexico, and Venezuela, the four major debtors and exporters, have a clear common bloc policy, it will be impossible for those of us with a smaller debt and less foreign trade to form a bloc.

[Pena] Two views are usually mentioned, whenever there is talk of reactivating the economy: 1) the market economy and 2) the controlled economy.

[Sanguinetti] We will implement a mixed policy. Neoliberalism failed completely in our countries. But neither can superficial or irresponsible populism that ignores realities be the response to this excessive neoliberalism. There are not that many options. The budget deficit belongs to neither the left nor the right.

[Pena] Unemployment and inflation are two very serious problems, which you will have to face when in the government.

[Sanguinetti] We will not adopt a policy of anti-inflationary shock that would lead to recession. In this, we differ from the IMF and the neoliberal trends. Recession is already unbearable in Uruguay, whose GNP has dropped 15 percent in the past 3 years. We must seek mechanisms for reactivation and a system of incentives and disincentives that will develop the sectors we regard as priorities. Currently, the export sector and the sectors that make intensive use of labor constitute priorities. However, everything, more than just the debt, is refinanced. We, who import all the oil we consume, need financial terms from hydrocarbon exporters like Venezuela, that would help lighten our payments for the oil we import to run our industries, especially during the first year. In any event, we will need new financing in order to grow.

[Pena] New money from the banks?

[Sanguinetti] It is absolutely essential. We might use those new funds to provide incentives for the export sector so that we can handle our pressing current situation.

[Pena] What will your government's policies be vis-a-vis foreign investment?

[Sanguinetti] Foreign investment has always been welcomed and we will continue to need it. Like all underdeveloped countries, Uruguay is a country with scarce capital and is pressed to obtain the internal savings that would allow it to have vigorous capitalization. Foreign capital cannot be granted exemptions that are not granted to our own capital. It is necessary to guarantee foreign capital a climate of general trust in which it can act as if it were national capital without either risk or discrimination.

[Pena] What policy will you adopt on returning dividends to the country of origin?

[Sanguinetti] A system restricting the return of profits should not be established in Uruguay. If deemed necessary, profits should be taxed, as this is the purpose of the taxing. However, we shall not tread on paths which, far from providing incentives for investment, will discourage them.

[Pena] Will international capital be able to compete and participate in all areas of the economy?

[Sanguinetti] We do not have any areas where the participation of international capital is banned. Bans are imposed by other countries' markets.

[Pena] Uruguay is a small country but it has very important neighboring markets (Argentina and Brazil).

[Sanguinetti] Yes, Uruguay depends on the neighboring markets and on foreign markets in general. Our only solution lies abroad. We must bet on a vigorous integration system that will enable us to expand our economy in that direction.

[Pena] The opposition is requesting a general amnesty for the political prisoners.

[Sanguinetti] We say there must be an amnesty for all those who are abroad, whatever the charges, and for those who participated in illicit organizations, in political activities, or who generally did not commit bloody crimes or crimes against humanity. The amnesty should also extend to those who have been imprisoned for political reasons during the de facto regime.

[Pena] What is the greatest discrepancy among those who want a general amnesty?

[Sanguinetti] We contend that the members of guerrilla organizations and those who committed bloody crimes prior to 1973 and during the democractic period should not be granted amnesty. Their crimes should not be erased. This does not mean they should not be granted procedures to obtain their freedom. Why? Because during these years they had an unjust prison system which calls for a generous attitude by society. A pardon or presidential mercy, a parliamentary pardon, or the revision of sentences might enable them to obtain conditional freedom. We must clearly establish the fact that violence in the face of democracy is always a negative recourse that only serves to encourage authoritarian tendencies like the ones that led to the coup.

[Pena] What is going to be done with those who practiced violence, torture, and murder while in power, a power they still maintain?

[Sanguinetti] Those who staged the coup committed a crime; those who practiced violence and committed grave crimes also committed them. But peace behooves us to look forward and calls for a certain degree of reciprocity. All those who committed crimes, either by killing people or making them disappear, are common criminals and justice must be served in their cases.

[Pena] Crimes like the killing of the deputy exiled in Argentina (Michelini), and the disappearance and very likely killing of teacher Elena Quintero, who was violently removed from the Venezuelan Embassy in Montevideo, are attributed to those in power.

[Sanguinetti] An investigation is under way in Argentina. Investigating these situations years later is the problem, but the effort must still be made.

[Pena] President Alfonsin began his investigations and trials years later.

[Sanguinetti] Yes, investigations have been conducted by Argentina's democratic regime, but through the military courts, and there have been many, many cases whose origin is impossible to determine.

[Pena] How will you make the military leadership accept democracy?

[Sanguinetti] A lot of ground has already been won. We have been negotiating with the military leadership for 2 years and have obtained a democratic solution.

[Pena] Yes, but with noticeable imperfections: Many leaders have been deprived of their freedom or their political rights, Liber Seregni and others; Ferreira Aldunate is in prison.

[Sanguinetti] It is a solution with imperfections, just like all other transition solutions all over the world. I know of no perfect solution, except for cases of suicide by the military regime. Look at what happened in Argentina, where the military regime almost committed suicide, there were also political bans. Mrs Peron could not become a candidate and she was banned. This was an exception which, however, did not invalidate Argentina's political process. Nor do these imperfections, which I admit do exist, invalidate the Uruguayan process. The people themselves have already voiced the most important opinion about this process. The elections were legitimate in three ways: 1. All the political parties agreed to participate. 2. One hundred percent of those who were in the country, plus those who came from abroad voted. 3. All the parties acknowledged the results of the election.

[Pena] On the occasion of the year-end festivities, you delivered a speech in which, logically, you criticized the conduct of those who had staged the coup, but you also mentioned the errors committed by the political parties at that time.

[Sanguinetti] My generation grew up and was educated under the almost religious conviction that a coup could never be staged in Uruguay. After over a century without a military presence and 50 years of total stability, we thought we had achieved a definitive and permanent democracy. Developments proved us wrong. And although the military's ambition, which led to the 1973 coup, is absolutely inexcusable, it would be equally inexcusable for us not to understand that it was possible because democracy had been weakened.

[Pena] Who is responsible for the weakening of that century-old democracy?

[Sanguinetti] We all share in the blame, we politicians, for we sometimes placed party struggles above concern for the institutions and because with our internal divisions we encouraged a certain spoken radicalism that alienated us from our commitments and true responsibilities to our country. We were not honest enough to tell the people the truth about the limits of our economic and social possibilities. The intellectual classes share in the blame because they so often preached completely theoretical and unattainable propoals which simply led to frustration and resentment. The social forces or labor unions share in the blame because on more than one occasion they either exaggerated or mixed their union demands with political slogans. The businessmen share in the blame because they failed to provide answers to the search for greater productivity and more modern formulas of social cooperation.

[Pena] And now, after 11 years of dictatorship, the political parties have reached an agreement. Why did they not do this earlier, before the coup, when it was evident that both democracy and the parties were being eroded?

[Sanguinetti] Because the psychology of competition comes into play among the parties. The goal of winning the elections blinds us to what comes later, that is, the maintenance of institutions and the assumption of collective responsibilities. In the face of Latin America's terrible crisis, we cannot operate under the idea that just because the government party won the elections it must carry the load, while the opposition can throw stones from across the street assuming that this will move it closer to Government House. It might turn out that by taking this course, the Government House might be out of everyone's reach for many years. People stop believing in the parties and begin believing in the messiahs and the emotional appeals made by the extreme left and the extreme right.

[Pena] What policy will your government adopt on Contadora and the Central American crisis, especially in regard to Nicaragua and El Salvador?

[Sanguinetti] Peace is an invariable tradition to Uruguay and, as Contadora is basically an effort to achieve peace, all our efforts will be aimed in that direction. During our electoral campaign we expressed support for the Contadora policy. We have now reiterated this support.

[Pena] A few weeks ago, while I was visiting your country, you sent Roberto Asiain, leader of your Colorado party, to Havana. There was talk then of the reestablishment of diplomatic relations with Cuba following the installation of the democratic government.

[Sanguinetti] We have said that relations with Cuba constitute a goal with strict adherence to the principles of nonintervention and self-determination. We hope to fulfill that goal in the not-too-distant future.

[Pena] Did anything specific come out of Asiain's meeting with Castro?

[Sanguinetti] He met Castro on behalf of our party, not yet for the government. The meeting is part of initial contacts after so many years of estrangement.

[Pena] What about Venezuela?

[Sanguinetti] From the outset we have been enthusiastic about reestablishing relations with Venezuela. That is why I am here. I have been received in a very moving fashion by President Lusinchi and all the political forces. Relations will be reestablished on 1 March.

MEETING BETWEEN ORTEGA, SHULTZ BEING PROMOTED

PY260220 Madrid EFE in Spanish 0100 GMT 26 Feb 85

[Text] Montevideo, 25 Feb (EFE) -- The presence of U.S. Secretary of State George Shultz and of Nicaraguan President Daniel Ortega at the Uruguayan presidential inauguration on 1 March will possibly result in the start of talks between the two countries, diplomatic sources told EFE today. The sources said that negotiations are being conducted to promote a meeting between the Sandinist leader and the U.S. official. Ortega's arrival in Montevideo is scheduled for 27 February. Several Latin American diplomats believe that Shultz' presence at Sanguinetti's presidential inauguration is a fundamental coincidence for beginning a dialogue with the Nicaraguan Government. The same sources commented on the importance of the presence of eight Latin American and two European heads of state at the official Uruguayan ceremonies during which the strained relations between Nicaragua and the United States will be the theme of informal talks. The presence of the Contadora Group foreign ministers is also considered important.

Uruguayan leftist and labor organizations are preparing a great welcome for Daniel Ortega. However, these same organizations have rejected Shultz' presence by criticizing U.S. policy toward Nicaragua in signs on walls throughout the city.

The results of the diplomatic negotiations to promote a meeting between Ortega and Shultz in Montevideo have not yet been revealed.

FOREIGN MINISTER-DESIGNATE DISCUSSES POLICY

PY260130 Montevideo Radio Carve in Spanish 0000 GMT 26 Feb 85

[Text] Uruguayan Foreign Minister-designate Enrique Iglesias has stated that the status of political prisoners in Uruguay and a review of the military's human rights performance will be examined by Congress and that the decisions the Congress makes will be implemented by Sanguinetti's government.

Iglesias also stated that in this new democratic era, Uruguay plans to expand its economic and diplomatic relations with all the countries of the world, including the socialist ones. He emphasized that upon taking office, Sanguinetti's first step will be to resume diplomatic relations with Venezuela, thus settling a moral debt.

Iglesias stated that democratic Uruguay will restore its tradition, history, society, and international standing, and that it will restore dialogue among Uruguayans. The foreign minister-designate said that under international law, the country will have broad representation and will adhere faithfully to the principle of nonintervention. Uruguay will again demonstrate its pure Latin American sentiment, Iglesias added.

FERREIRA ALDUNATE ELECTED BLANCO PARTY PRESIDENT

PY250002 Madrid EFE in Spanish 1611 GMT 24 Feb 85

[Excerpt] Montevideo, 24 Feb (EFE) -- The well-known politician Wilson Ferreira Aldunate has been overwhelmingly elected president of the directorate of the National (Blanco) Party, Uruguay's second largest political party. The list containing Aldunate's name received 457 votes out of a total of 521 convention delegates. The other slate, with Dardo Ortiz as candidate for the directorate's presidency, only obtained 64 votes.

DE LA MADRID INAUGURATES CTM 102D ASSEMBLY

FL251336 Mexico City NOTIMEX in Spanish 2110 GMT 24 Feb 85

[Text] President Miguel de la Madrid said today that Mexico is maintaining its firm and unvarying foreign policy in favor of peace. When he inaugurated the 102d regular assembly of the Confederation of Mexican Workers, CTM, the Mecican chief executive said that this policy is responsible for protecting the nation's interests, especially the defense of national independence, which is based on the use of law and reason and not on the force of arms or economic power. De la Madrid said his government will maintain national dignity at all international forums and expressed Mexico's desire to live in peace and have cordial relations with its northern and southern neighbors. He said that material well-being would be meaningless if Mexico were enslaved by a foreign power. He stressed the fact that Mexico will never subordinate its development to any other nation. He said that Mexico fervently believes it can achieve happiness and progress only to the degree that it remains independent. He said Mexico has always made the greatest effort and sacrifices to maintain its sovereignty above all. For this reason, the chief executive said, we are struggling for world peace. He said violence and war would surrender humanity's destiny to the force of arms.

ALLIANCE OF LEFTIST PARTIES TO NOMINATE CANDIDATES

PA220415 Mexico City EL NACIONAL in Spanish 13 Feb 85, p 2

[By Martha Elba Torres]

[Text] The effort to unite the left, in view of July's federal elections, was made effective yesterday with the approval of a common electoral platform. The Unified Socialist Party of Mexico, PSUM; the People's Socialist Party, PPS; the Socialist Workers Party, PST; the Mexican Workers Party, PMT; and the organizations Communist Left Unity, UIC, and Socialist Current, CS, comprise the alliance.

The Liaison Commission formed by representatives of all these organizations met yesterday and among other things it agreed to nominate a single candidate for deputy in each electoral district. The list of those aspiring to be candidates will be released next week. The Liaison Commission also discussed the possibilities of winning in some districts. The meeting took place in PSUM's headquarters. The Liaison Commission meets again today in the offices of the PPS to discuss in which electoral districts the alliance of leftist parties will participate. This will be determined by the representativeness and strength of the organizations of the alliance, based on the results of 1982 elections.

PPS Federal Deputy Francisco Ortiz Mendoza told EL NACIONAL that "this is not a temporary or specialized alliance, inasmuch as the organizations are willing to give up their individuality in the future to form a single party." This could come about after long discussions, Ortiz Mendoza said, who admitted that divided, the left does not have much of a possibility of becoming a big political force.

NAVY TO CONSTRUCT LOGISTIC, COAST GUARD SHIPS

PA220237 Mexico City EL DIA in Spanish 18 Feb 85 p 3

[Excerpts] The Navy Secretariat's General Department for Naval Repairs and Construction announced that the Navy Secretariat, whose mission is to safeguard the security of the nation and the people, has decided to build two multipurpose logistic ships and four Agulla coast guard units in its shipyards.

The two multipurpose logistic ships are currently under construction: one in Salina Cruz, Oaxaca, shipyard No 20; and the other in the Tamico, Tamaulipas Shipyard. They should be completed by the end of 1985. The General Department for Naval Repairs and Construction said that the multipurpose logistic ship's structural design makes it fit for transporting troops, civilian personnel, vehicles, provisions, construction material, and medical supplies. It also has a sanitary treatment area for wounded and sick individuals, and if necessary it will be very useful to the civilian population for assistance and salvage operations in disaster zones.

Regarding the construction of the four Agulla coast guard ships, their structure will be similar to those bought by the Mexican Navy from the Spanish Government during the past administration. These vessels will have modern arms and the most up to date navigation apparatuses and aviation units to complement the ship's operation, inasmuch as the use of helicopters has proven very effective in vigilance over the country's exclusive economic zone and territorial sea.

EL UNIVERSAL CRITICIZES U.S. BORDER OPERATION

PA220417 Mexico City EL UNIVERSAL in Spanish 18 Feb 85 p 4

[Editorial: "Another Interception"]

[Text] Special U.S. immigration, customs, and antiriot units have again launched an operation of unusual size at the northern border that involves tighter inspection and control measures to enter the United States through all border crossings. The degree to which this step, which has even involved the temporary closing of checkpoints, has troubled and annoyed the population on both sides can be surmised.

It is enough to recall the number of people who cross the extensive border between the two countries daily in either direction to realize how much displeasure this measure has caused. The vast majority of people involved in this movement are those who conduct business and all kinds of legal activities between the two countries. These people have seen their activities hampered, if not altogether blocked, by this unexpected step, the harmful effects of which are already well-known because this is not the first time it has been implemented.

The situation became even worse when Robert Feldkamp, of the U.S. Drug Enforcement Administration [DEA], tried to explain it. He said that this was an order issued by President Ronald Reagan at the request of the DEA to obtain more clues about the disappearance of DEA agent Enrique Camarena Salazar, who was kidnapped in Guadalajara on 7 February. The step was so unacceptable that Feldkamp had to supply thousands of explanations to deny that this was an incredibly childish action, finally reaching the conclusion that this was a demonstration of U.S. power to fight drug traffic. That explanation made matters even worse.

This measure is truly incredible at this stage in U.S.-Mexican relations. The powerful country to the north knows perfectly well that by enforcing it, at least it gives the impression that it is trying to pressure Mexico into acting one way or the other, thus leaving its foreign policy statements in a very poor light. However, both countries have already been able to assess the harm that has been done to towns along the border. Although Mexicans have suffered much individually, the damage done to U.S. towns by their own government is no less serious. Unfortunately, many senior U.S. officials do not understand the situation and those who do understand it and are thoroughly familiar with it prefer to ignore it in order to give full rein to their imperiousness. Mexican diplomacy must be very active in the near future because there is already talk that more hostile laws are in the making.

GUATEMALA'S MEJIA STOPS OVER, MEETS PRESIDENT

PA252255 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 25 Feb 85

[Excerpts] General Oscar Mejia Victores and Panamanian President Nicolas Ardito Barletta talked today for 45 minutes in Panama City, where the Guatemalan leader made a stopover en route to Montevideo.

Mejia Victores met with Panamanian President Nicolas Ardito Barletta in the diplomatic room of the Panamanian Air Force terminal; the Panamanian president went to the airport to welcome him. It was reported that they discussed topics of common interest to both nations.

In addition, Guatemalan Foreign Minister Fernando Andrade Diaz-Duran and his Panamanian counterpart, Fernando Cardoze, exchanged views on the Central American crisis.

PLANNING MINISTER LEAVES FOR U.S. TO DISCUSS DEBT

PA250105 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Feb 85 p A 4

[From "Names and Events" column]

[Text] Planning and Economic Policy Minister Ricaurte Vasquez has left for Washington, where he plans to meet with senior IMF, World Bank, and IDB officials to discuss several aspects of the Panamanian foreign debt. Panama is still welcome and respected by international credit organizations.

PDC PROPOSES SOLUTION FOR FISCAL PROBLEMS

PA220359 Panama City EL SIGLO in Spanish 21 Feb 85 p 19

[Communique issued by the Christian Democratic Party, PDC, in Panama City, dated 20 February; capitalized passages as published]

[Text] Through public discussion and also at the Legislative Assembly, economic, union, and political organizations have insisted on the need to balance the national budget, prevent the Social Security fund's bankruptcy, and seek justice for underpaid public employees without either raising taxes or dismissing thousands of workers.

However, the executive branch, despite all arguments to the contrary, clings to the idea that it must either raise taxes or dismiss thousands of public employees. With this stance, the government has only succeeded in keeping our country in a state of uncertainty and confrontation since November. Domestically, this situation has aggravated our country's critical economic condition; abroad, it has weakened our credit to dangerous levels. There is only one conclusion: The government has failed.

THE PDC MAINTAINS THAT IT IS POSSIBLE TO BALANCE THE BUDGET AND PREVENT THE SOCIAL SECURITY FUND'S BANKRUPTCY WITHOUT EITHER RAISING TAXES OR DISMISSING THOUSANDS OF HONEST EMPLOYEES.

1. It can be done provided that smuggling is hampered and existing taxes are better collected. With a 5-percent improvement in efficiency only in this area, we would have an additional $35 million in revenue.

2. It can be done provided that we correctly compute the income tax of enterprises that have signed contracts with the government. Those enterprises that took advantage of the pre-investment clause did not pay income tax in 1984, but they will in 1985 to the tune of $30 million.

3. It can be done provided that other income, such as that received by the traffic department, is included in the budget, since the corresponding expenses have already been included in the budget. In this way, we would obtain another $25 million.

4. It can be done provided that we correctly compute the state's share of the benefits derived from the operations of Petroterminal de Panama, S.A., including, for the first time, the payment of dividends. This means an additional income of at least $9 million.

5. It can be done provided that we reduce the public expense by only 1 percent without affecting salaries. This would save $25 million.

6. It can be done provided that the Panamanian Defense Forces' expenses are cut by $15 million, as one of their spokesmen accepted.

7. It can be done because the international interest rate on the public debt has been lowered. This means another $25 million.

8. It can be done because the international price of the oil the state buys is now lower, while the price of the gasoline sold to consumers has remained unchanged. This means additional savings of $12 million.

9. It can be done if we eliminate the tax exemptions for state imports. Thus, expenses would be reduced by [figure illegible] millions.

10. It can be done provided that representation expenses paid by the government are subjected to control by a) making these expenses a part of officials' salaries; b) limiting these expenses to not more than 25 percent of their other government salaries; c) applying to their income the same income tax rules applied to the representation expenses of the private sector; and d) withholding this income tax at the source. In this way, disbursements would be reduced by at least $5 million.

11. It can be done provided that the state enterprises and investments that regularly lose money are sold. In this way, savings are effected because losses need not be hidden and at least $40 million can be recovered.

In addition, at least $246 million can be obtained without having to dismiss thousands of honest workers. Since the government argues that $172 million is required to make up for the deficit, it still has $64 million to prevent the Social Security Fund's bankruptcy.

IN ADDITION, THE PDC MAINTAINS THAT IT IS POSSIBLE TO DO JUSTICE TO UNDERPAID PUBLIC EMPLOYEES WITHOUT RAISING TAXES.

It can be done provided that the following measures are adopted:

a. An investigation is carried out to determine which officials really work and those who do not but still collect their salaries. This survey would be the basis for a general salary law.

b. All cases in which public employees receiving two or three salaries from the government are eliminated.

c. All salaries of government officials above $2,500 monthly are cut by 25 percent.

In this way, we can have several additional millions to raise public employees' minimum salaries and especially benefit those who earn less than $250 monthly.

Summarizing, in order to balance the budget, prevent the Social Security fund's bankruptcy, and seek justice for underpaid public employees, it is not necessary to raise taxes or dismiss thousands of working employees. It is necessary to have the competence to know what has to be done, honesty to prevent theft, and courage to carry out real changes.

Panama City, 20 February 1985

BRIEFS

WORLD BANK LOAN -- The Institute of Hydraulic Resources and Electrification (IRHE) has received 51 million balboas from the World Bank to finance the dam for the Edwin Fabrega power station feasibility studies for certain IRHE projects. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 9 Feb 85 p A 16 PA]

TRADE INFORMATION SERVICE -- Through the Foreign Trade Directorate of the Commerce and Industries Ministry, Panama recently joined the most complete trade information service in the Caribbean and Central and South America, called "Latin American Trade Information Network." This network offers information about the latest trade developments and thorough guidance on trade in member countries. [Summary] [Panama City CRITICA in Spanish 6 Feb 85 p 18 PA]

NONTRADITIONAL EXPORTS INCREASE -- Gonzalo Chavez, deputy foreign trade director for the Ministry of Commerce and Industries, has told this newspaper that in 1984 exports incentive certificates [CAT] in the amount of $6,543,958.00 were granted for the export of nontraditional export products that, once delivered to the port of embarkation, represented $33,977,716. The official added that compared to 1983 the CAT's granted increased by 2 percent, whereas the FOB registered an increase of less than 1 percent. The official added that in the area of clothing exports dropped by 29 percent. However, the CAT's granted dropped only 7 percent. [Summary] [Panama City MATUTINO in Spanish 12 Feb 85 p 1 PA]

CATHOLIC PERIODICAL -- The first issue of the periodical PANORAMA CATOLICO, published by the Catholic Archdiocese in Panama City, will be for sale at all parishes as of Sunday, 24 February. The periodical will appear every 15 days, on the Sunday closest to the date of its publication. The periodical, which will cost 25 centavos, will cover social and religious topics in the nation. [Summary] [Panama City LA REPUBLICA in Spanish 22 Feb 85 p 2 PA]

COSTA RICA

FOREIGN DEBT, FINANCE OFFICIALS NEGOTIATE CREDITS

PA222302 San Jose Radio Reloj in Spanish 1200 GMT 22 Feb 85

[Text] Federico Vargas Peralta, minister counselor on the foreign debt, traveled to Miami to continue negotiations for a $75-million revolving credit with creditor banks.

In addition, Finance Minister Porfirio Morera Barres arrived in Washington to negotiate several credits with the IDB.

CENTRAL BANK HEAD ON RENEGOTIATING DEBT WITH MEXICO

FL222104 Mexico City NOTIMEX in Spanish 1825 GMT 22 Feb 85

[Excerpts] San Jose, 22 Feb (NOTIMEX) -- The president of the Central Bank, Eduardo Lizano, has said that Costa Rica expects Mexico to renegotiate Costa Rica's debt.

In a statement to NOTIMEX, the bank official said: At this time, authorities of the Ministry of Finance and the Central Bank are drawing up a letter on Costa Rica's indebtedness to Mexico that will be presented to Mexican Secretary of Finance and Public Credit Jesus Silva Herzog.

It was recently announced that Silva Herzog will visit Costa Rica in late February for an in-depth review of bilateral relations and the large Costa Rican debt with Mexico.

Lizano said he does not know exactly how much Costa Rica owes Mexico but it owes $25 million for a bridge loan, nearly $20 million more for oil well drilling, and nearly $6.5 million for pending petroleum shipments, as well as other amounts.

The president of the Central Bank said that although payment of the total debt to Mexico had not been programmed, Costa Rica is suffering a serious shortage of dollars and a severe economic crisis, the reasons for which Mexican solidarity will be sought in refinancing the entire debt.

The president of the Central Bank said negotiations on the debt Guatemala owes Costa Rica, which totals about $13 million and caused a break in trade relations last year, have been completed. He said that although the Guatemalan debt payments owed have not yet been made to either the government or private sector, the renegotiation has been completed and is very favorable to the nation.

FORMER PRESIDENT CRITICIZES POLICY TOWARD NICARAGUA

PA221957 San Jose Radio Reloj in Spanish 1200 GMT 22 Feb 85

[Text] Former Costa Rican President Jose Figueres has said he does not agree with President Luis Alberto Monge's administration's policy toward the Nicaraguan regime. Figueres, who is an ambassador at large, said that the policy applied by Monge's government toward Nicaragua is a mistake and that one must try to live in (?peace) with one's neighbors. He asked why, if we had good relations with Somoza, should we not have them with those who are trying to push their country forward by revolutionary means?

According to former President Figueres, the charges regarding airspace and territorial water violations are the stupidities of the newspapers. The ambassador at large sharply reprimanded the U.S. Government for practicing a mistaken policy against the Sandinist regime and reiterated that the Costa Rican Government's foreign policy is not the best in regard to Nicaragua. Figueres made these statements at the opening of the (Fercori) [expansion unknown] 1985 international fair, which was inaugurated yesterday by Costa Rican President Luis Alberto Monge.

Figueres said that he is the only Costa Rican with the courage to admit that he is a friend and on the side of the Sandinist regime. He said he does not agree with the Monge government's policy toward Nicaragua, and when describing the measures adopted in the Urbina Lara case as mistaken, Figueres says he does not deny that the Sandinists do things well. The former president said that if he were president he would not practice such a policy, but added that he respects the decisions adopted by the Monge regime.

EL SALVADOR

MIPTES LETTER ADDRESSES DUARTE ON DIALOGUE

PA241303 San Salvador EL MUNDO in Spanish 21 Feb 85 p 29

[Open letter to President Jose Napoleon Duarte from the Independent Movement of Salvadoran Professional and Technical Personnel (Miptes), an affiliate of the FMLN; paid advertisement]

[Text] When we began the dialogue between your government and our fronts, we agreed that it would be carried out without any preconditions. We feel that to continue the dialogue pending unilateral statements from one or the other party is not a constructive tactic. It would imply the imposition of a precondition; that is, slipping back by violating previous agreements.

We insist that the best contribution to the dialogue is to comply fully with the agreements of La Palma and Ayagualo. Proof of our conduct is seen in facts, not words. We have delivered prisoners of war captured in El Salto and Cerro La Campana. We granted and respected a military truce during the Christmas and New Year festivities. We have made timely proposals through the mediator for new dialogue meetings. We accepted your proposals of dates and sites for the two previous meetings, although they were not the most convenient for our front. Unfortunately, your government has not shown the same willingness to comply with the agreements. The FDR-FMLN believes at this moment that the most practical gesture is the decision to continue the dialogue. We have reiterated to your government our willingness to continue the dialogue by sending on 11 January a specific proposal for the next meeting. However, we have not yet received your answer. We need facts, not words, engineer Duarte.

You demand of our fronts a public declaration renouncing violence as a means to gain power. With regard to that, we want to note three things we consider pertinent. First, in our country there is repressive violence by the regime against the people, and a revolutionary violence of the people against the system of oligarchic domination and against the military apparatus defending its unjust privileges.

In El Salvador there is a generalized state of war, and no one can seriously expect to overcome it with mere formal statements by the government or the FDR-FMLN. It is necessary to have specific facts expressing agreements and concepts by both sides within a framework of mutual guarantees, to gradually bring us closer to a political peace solution through dialogue and negotiation.

Second, the problem of violence refers not only to gaining power, but also to the conduct of the government. In that respect, we believe it is evident to you and the entire world that your government is maintained by military aid offered by the U.S. Government, as you yourself said on the eve of the second round of elections. Without U.S. aid your government would not last 6 months. You may win the elections, but without the strong support and military aid from the U.S. Government the election victories help very little. Therefore, it is quite improbable that you would make a statement renouncing the use of weapons to remain in power.

Third, the FDR-FMLN's main aspiration is to achieve true peace for our people, with justice and dignity. Our people have suffered bodily the effects of the so-called "war of insurgency," the death squads, police repression, and air raid bombings. We ask for the eradication of all this. For the past 4 years we have insisted on the need for a negotiated political solution to the armed conflict, which today is bleeding our nation to death. We firmly believe in achieving peace through dialogue and negotiation; and on the basis of that solution, holding free elections to open the way to a government truly expressing the people's will and responding to their interests.

At La Palma and Ayagualo we agreed to continue the dialogue. We are prepared to comply with that agreement. We demand that you display a similar attitude. If we were able to hold the two previous meetings, it was because a large sector of the people exerted pressure for the beginning of the dialogue. The meetings at La Palma and Ayagualo were a victory for the majority of Salvadorans. Now that such an important achievement is endangered, it is necessary that the people and their representative organizations do not allow it to be taken from them. At this time the participation of all national sectors in the dialogue is necessary, as we agreed at the La Palma meeting. All who desire peace with justice and freedom must make a special effort so that the progress made in the dialogue is not annulled by the permanent enemies of social change and progress in our country.

Signed in EL Salvador on 30 January 1985.

SUBVERSIVES DESTROY COFFEE PROCESSING PLANT

PA252235 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 25 Feb 85

[Text] Subversives set off four powerful bombs at dawn this morning in the El Marquesado coffee processing plant in Santiago de Maria jurisdiction, 1 and 1/2 km from the city bearing the same name. The plant was completley destroyed.

Two months ago the subversives had tried to burn down the plant, but on that occasion they were only able to set a storeroom on fire. The subversives achieved their objective this morning and succeeded in leaving several dozen families working in the EL Marquesado coffee processing plant without work. (Jan Schonenber) is the plant owner.

POWERLINE SABOTAGE AFFECTS CAPITAL, ELSEWHERE

PA260312 (Clandestine) Radio Venceremos in Spanish to EL Salvador 0000 GMT 26 Feb 85

[Text] Commando units of the Rafael Arce Zablah Brigade carried out a sabotage operation early this morning in San Salvador which left sections of the capital without electricty and resulted in loses to the regim's war economy. Our companeros directed the attack on the main powerline located between San Antonio Abad and Nejapa.

A few hours ago, in accordance with the sabotage campaign against the region's war economy, other guerrilla units of the Rafael Arce Zablah Brigade carried out another sabotage operation against the powerlines in the eastern region of the country.

On Sunday, 24 February, the guerrilla forces blew up four power pylons in Morazan and San Miguel Departments. Two were blown up on the Pan-American Highway, near the road to San Cristobal in Morazan Department, and the other two were destroyed in San Jeronimo, near Sesori, in San Miguel Department.

GUATEMALA

MORE FLEXIBILITY EXPECTED IN TALKS ON BELIZE

PA252245 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 25 Feb 85

[Text] The Guatemalan Government believes that soon there will be more flexibility on foreign policy matters during talks with the United Kingdom to negotiate the problem of Belize. Deputy Foreign Minister Mario Marroquin Najera, currently in charge of the Foreign Relations Ministry, explained the trend that will prevail in the Anglo-Guatemalan dialogue.

[Begin recording] The Belizeans' position was to rigid during the last round of negotiations. They said that Belize' independence process was irreversible, and that Belize' sovereignty was not negotiable, referring to territorial matters. Since the Guatemalan claim to the United Kingdom refers to a territorial matter, as it has for more than 150 years, it is expected that the positions will become more flexible.

The Belizeans also talked about other matters, such as carrying out joint development projects in Belize and Peten Department; joint exploitation of maritime resources; and other projects which are equally important and can be discussed at length. I think that the main thing, however, is to give a dignified, realistic, and just [word indistinct] to Guatemala's terrritorial dispute with the United Kingdom. [end recording]

FINANCE MINISTER FIGUEROA REPORTS ON EUROPEAN TOUR

PA220026 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 21 Feb 85

[Text] Leonardo Figueroa Villate, Guatemalan finance minister, said today that Guatemala, which has been severely affected by an economic crisis, must pay $33 million for obligations contracted by the state enterprise National Financial Corporation [Corfina] so that the enterprise Celulosas de Guatemala, S.A., Celgusa, can survive.

The minister reported on this when he referred to a visit by a delegation which he headed to several European countries, including Spain, some days ago.

[Begin recording] [Figueroa Villate] Together with the Celgusa and Corfina mission representatives, I held talks with the Spanish Foreign Bank to negotiate a credit of $168 million plus accrued interest. Talks are being held to refinance the amount loaned by the bank to establish a paper pulp enterprise at [words indistinct] that will probably be opened 12 March. In reality we are negotiating for new terms on the amount we owe the bank.

[Reporter] What is the amount of the debt?

[Figueroa Villate] The debt's accrued interest as of 30 March will be $22,205 million. In addition, there is an amortization of the principal of $9 million. This means that, as of 31 March, the country would have to pay approximately 33 million quetzals -- I mean dollars. Our currency, however, is on par with the U.S. currency. We have asked for an additional year grace period because the plant would be opened on 12 March. The idea is that the 2-year grace period would begin as of 31 March, while both interest and principal would be amortized over 8 years after the grace period. The balance would have to be paid upon maturity. [end recording]

The finance minister reported that financing was negotiated in France to complete a new port on the Pacific.

[Begin recording] In France, we discussed the 15 percent of [words indistinct] to resume the works at [words indistinct]. After considering this, French authorities indicated that they would grant Guatemala 15 percent of the 40 percent requested. This was discussed with French authorities. In addition, we met with private bank representatives. These banks are practically under state control [words indistinct]. [end recording]

In addition, Figueroa Villate reported on the results of the Guatemalan delegation's visit to Italy.

[Begin recording] Our visit was to reach and sign a financing operation with an Italian bank for $18 million to be amortized over a 36-month period. Guatemalan importers and Italian exporters would benefit from this 36-month period for the use of this credit. [Words indistinct] a plan was agreed upon for the financing operation. [end recording]

URNG COMMUNIQUE ON INTENSIFYING STRUGGLE

PA240050 Panama City ACAN in Spanish 1350 GMT 22 Feb 85

[Text] Guatemala City, 22 Feb (ACAN-EFE) -- The guerrilla groups operating in Guatemala have announced their decision to intensify the armed struggle against the military regime so as "to stop the interventionist advance of Yankee imperialism in Central America."

In communiques secretly sent yesterday to the news media in this capital, URNG noted that "the time for words has passed and now it is time for action." The guerrillas contend that they have entered "a new stage of military struggle."

The four groups that make up URNG are the Poor People's Guerrilla Army, the Rebel Armed Forces, the Revolutionary Organization of the People in Arms, and the communist Guatemalan Labor Party.

The rebel communiques added: "We are not going to write any more words telling the Guatemalan people what they already know because they are enduring it every day. Under the current circumstances, the people's power can be built only through blood."

Likewise, the rebel organizations that are struggling to attain power in this country admonish that "effective today, there will be victims, but they will not be innocent ones because they will either fall in favor of the poor or against the poor."

In addition, they warned that if the U.S. Administration decides to send troops to invade Nicaragua or El Salvador "the Guatemalan Army will find itself involved in a war against sister peoples and forced at the same time to continue waging a war in its own land."

URNG added: "The whole country would find itself engaged in a regional war that will sink the Cental American economy and result in general hunger that would affect all strata of society."

The communiques indicated that this new phase of the Guatemalan guerrilla war constitutes "the only way to stop the interventionist advance of Yankee imperialism in Central America and will also result in increased actions for redress in the economic sphere."

Meanwhile, the Guatemalan Army has refused to comment on any rebel communiques "so as not to attach importance to them," but has asserted that it has the subversive groups fully under control. The Armed Forces have said on several occasions that they are prepared to repel an escalation in insurgency at any time.

Lebanese, Angolan Support Noted

PA252138 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 25 Feb 85

[Text] A communique was issued this week by the so-called URNG, saying that the subversives now receive support from Lenanon and Angola. The URNG is composed of four of the most well-known extreme left organizations: the Poor People's Guerrilla Army; Rebel Armed Forces; Revolutionary Organization of the People in Arms; and the Guatemalan Labor Party.

The paragraph regarding the support which the Guatemalan guerrilla forces reportedly receive from outside the continent states: The sacrifice and support offered by brother peoples such as Lebanon and Angola cannot be turned down, and there is no reason why we should hide it.

The URNG document also announces a new phase in the military struggle.

BRIEFS

AMBASSADOR'S DEATH -- Tegucigalpa, 24 Feb (ACAN-EFE) -- The body of Brigade General Oscar Rodolfo Cuyun Medina, Guatemalan ambassador to Honduras, was taken to his native city today for burial. Guyun Medina died in Tegucigalpa last night as a result of a heart problem. [Summary] [Panama City ACAN in Spanish 2036 GMT 24 Feb 85 PA]

NICARAGUA

COMMANDER PICHARDO ON POSSIBLE ROUTES FOR INVASION

PA221515 Managua BARRICADA in Spanish 21 Feb 85 p 5

[Text] Commander Javier Pichardo, chief of the 1st Military Region, warned on Tueday that the "Big Pine III" maneuvers that include the concentration of 4,500 Yankee Marines near Nicaragua are at their most dangerous phase, practicing one of the routes that a possible military intervention from the north would take.

This would be the Namasigue, San Bernardo, Palo Grande, and Villa 15 July route. The latter town is in Nicaraguan territory near San Bernardo Hill, where the U.S. troops are gathering. He added that this is the direction the tanks and armored cars of the U.S. and Honduran Armies are taking.

Pichardo explained to Humberto Ortega, defense minister and commander in chief of the Sandinist People's Army, that the enemy could deploy regular forces in the area from the Fina, the Santa Ines sector to Palo Grande alone a 25-km front.

Pichardo also noted that another direction for an enemy invasion in the area would be the Pan-American Highway, through the Guasaule and Somotillo region.

After explaining the topographic characterisitics of this important hill, barely a few hundred meters from the border and a few kilometers from the place where the largest group of troops participating in the "Big Pine III" is gathering, Pichardo said the main roads in this area have access to Nicaraguan territory. The first road goes from El Triunfo near El Laurel Hill and continues from the hill, approximately 7 km from here, to Guasaule, Somotillo, and Villa 15 July on the Pan-American Highway. The second road corresponds to the direction being taken by the troops participating in the "Big Pine III" maneuvers involving Namasigue, San Bernardo, and Palo Grande, up to Villa 15 July and Chinandega.

In addition to these longitudinal paths, there are the cross paths which go through Somotillo and northern towns such as Cinco Pinos and San Francisco. Another path would be Somotillo or Rio Grande.

He then explained the natural barriers of the area, beginning with the border itself. The border is marked by the waters of the Guasaule River running north to south. It starts at a rocky hill on the western side of the Guasaule mountain range, continuing to El Suspiro Hill and the eastern side of El Pilon Hill and ending in Palo Grande. The river is 1 meter deep; 3 meters deep in certain sectors. It is easy to get to in summer.

Another important obstacle is the Playa Salinas sector, which is linked to certain Honduran paths and reaches the Estero Real area. It is inaccessible in the rainy season, but in the dry season it can be crossed by armored and infantry vehicles.

Following the explanation to the defense minister, Pichardo yielded the floor to Brigade commander Julio Ramos, chief of EPS miltiary intelligence, who gave a thorough explanation of the "Big Pine III," as was reported in yesterday's BARRICADA.

DPA Reviews Overall Situation

PA220052 Hamburg DPA in Spanish 1909 GMT 21 Feb 85

[By Jose Esteban Quezada]

[Text] Managua, 21 Feb (DPA) -- The civilian population and the miltiary forces of Nicargua are preparing for an eventual U.S. intervention.

Infantry and artillery units have been deployed close to the Honduran border. As a preventive measure in the event of an intervention, which is being denounced by the Nicaraguan Government, exercises for a "popular militia war" are being conducted in different places in Managua.

The 235th Brigade of the Sandinist People's Militias (MPS) carried out demonstrations in four heavily populated districts of the eastern sector of the Nicaraguan capital. Explosions that simulated an airborne invasion indicated that the militias "should fight the enemy infiltration." Trenches, infantry deployment, and even artificial hills were used in the maneuvers. The deputy chief of the MPS, Commander Francisco Ramirez, observed the operations.

Last night in Ciudad Sandino, a district of some 60,000 inhabitants in the western sector of Managua, defensive maneuvers were also witnessed by the civilian population, who served in first aid practice and fire-fighting training, as well as military defense activities in the event of bomb attacks.

At the same time, Commander Bayardo Arce, coordinator of the FSLN Political Committee, at the closing of an "anti-imperialist seminar" in Managua, affirmed that "a large portion of Latin America's destiny is at stake in Nicaragua" in view of the "warmongering" policy of the U.S. Administration. In the Central American region, "the possibilities of finding reasonable and lasting solutions to the international crisis" are being put to a test, he said. The 3-day seminar, attended by Latin American and European politicians, issued a resolution for the "salvation and strengthening of the Contadora process" and the resumption of the Manzanillo talks between Nicaragua and the United States.

Simultaneously, FSLN leaders and officials of the Sandinist government continued consultations with different social, political, and economic sectors, concerning the financial measures applied the previous week. In a sports center in Managua last night, some 800 professionals and technicians spoke with the minister of foreign cooperation and member of the FSLN National Directorate, Henry Ruiz, on the national crisis.

In the Pacific sector, including Managua, there is a growing awareness of the effects of the economic crisis, especially after the government announcement suspending subsidies to food products and a reorganization of the prices of other articles which, according to government sources, is generating a 50-percent inflation.

The lines of vehicles at the gas stations have grown in the past 24 hours, while the shortage of gasoline rose due to the delayed shipments of petroleum derivates, which has given birth to a new form of rationing that permits giving the product to the agricultural sector, now harvesting coffee and cotton, the country's main exports.

Nicaragua uses 35 percent of its income from exports to purchase oil. At the same time, it needs $2 billion for 1985 to meet public expenditures and the military defense, but it can only export $400 million. This situation makes it look for financial support to U.S. sources, which have limited credit in the Western world, according to official information.

The Sandinist government is trying to unify the different sectors in the country. The popular sectors evidence greater identification with the revolution, particularly the student and peasant sectors, even though they have to leave the schoolrooms and the farms to join the military defense, in a situation that creates sorrow and death in a population of three million inhabitants, without any signs of possible peace in the near future.

School registrations are 35 percent short of the expected figures among the youths in the age bracket eligible for the Patriotic Military Service (SMP), evidencing the integration into the defense forces by citizens of high school age. The SMP recruiting continues through a law which established jail sentences for those who try to evade it and fines for those who hide deserters.

Meanwhile, the flight of professionals and technicians continues to increase in Nicaragua, in view of the "uncertain" situation among some sectors who cannot adapt themselves to the nation's critical condition. Hundreds of persons crowd the Costa Rican Embassy and the immigration offices trying to obtain visas to leave the country, some to visit relatives, others seeking a new way of life.

The internal political forces opposed to the government of Daniel Ortega, elected 4 months ago, demand a national dialogue, something similar to that used by the government with some religious, economic, and Miskito sectors. There are also marked differences at the National Assembly where there are delegates of seven parties, although the majority is held by the FSLN.

CARRION SPEAKS ON ANNIVERSARY OF SANDINO'S DEATH

PA222032 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 22 Feb 85

[Speech by Commander Luis Carrion, deputy interior minister, on the occasion of the 51st anniversary of General Augusto Cesar Sandino's assassination, on 21 February in El Sauce -- recorded]

[Excerpts] Like Sandino, today we must fight with blood and fire for our lives and freedom and must defend Latin America's dignity in the face of imperialist arrogance, in the face of the U.S. Administration's arrogance. Sandino was called a bandit; we are called communists. The successors of the Marines stage military maneuvers and display their sophisticated instruments of death only a few kilometers away from our border. In order to make Sandino surrender, the Yankees kept (?weapons) and medicine from reaching the mountains in Segovia. In our case, they close off the markets, block international credits, and mine our ports to undermine our fighting will.

As in Sandino's days, today there are traitors, too. Yesterday their names were (Milla), Chamorro, or Moncada; today they are called Calero, Cruz, or Pastora, but they are the same, looking for ways to betray the homeland in exchange for a few miserable crumbs. An army of traitors fought alongside the Yankees; a mercenary and counterrevolutionary army is today fighting against the Sandinist people's revolution. Without realizing it, the soldiers of this army are fighting against themselves and their own people. As was the case with Sandino, the current U.S. President himself insults the American people by calling them the brothers of the contras, and he violates international law by issuing an appeal to overthrow the revolutionary government, with which he, nonetheless, maintains diplomatic relations. Mr Reagan seems to believe that he owns the world and that, therefore, we must all bow our heads when faced with his insolent threats.

Sandino once received a message sent by a certain Captain (Hatfield), of the Marines, ordering him to surrender. To this Sandino answered: I received your message yesterday, and I am aware of its contents. I shall not surrender and will wait for you here. I want a free fatherland or death. I do not fear you; I have the ardor of the patriotism of those accompanying me. This is the only response we will give now and always to all imperialist threats. [applause]

Mr Ronald Reagan, you must know that we Sandinists do not know how to bow down and that we will know how to fight to the very last Nicaraguan for our right to live in peace, with independence and freedom.

The U.S. President has no right to tell us Nicaraguans how to handle our affairs, much less to finance terrorist gangs who come here to destroy, loot, and kill. (?In enforcing) this policy, the U.S. Government has become an accomplice of criminals, murderers of women and children, arsonists, and saboteurs. And even though you, President Reagan, invoke the name of democracy and blaspheme Bolivar's heroic deeds in an effort to justify your support for the terrorists, the blood of the innocent, the suffering of the mothers, and the anguish of the orphans are all your doing, and they stain U.S. honor, widening the abyss of distrust and resentment which the United States has created among the Latin American peoples through the adoption of such stands. [applause]

Imperialist and counterrevolutionary aggression is illegal, unjust, immoral, and also useless. It is useless because they will never accomplish anything along that path except intensifying the people's pain and suffering and accumulating additional shame on the U.S. Government.

We will withstand the aggression with all our might. Even after this aggression becomes direct intervention, we will withstand it, and we will win. We do not understand the language of blackmail and threat. We have earned the right to be treated with respect and dignity. We are reasonable and flexible people, who want to spare our people more grief and suffering. But we shall always answer fire with fire.

The United States must change its policy if it really wants peace and stability in Central America. Nicaragua wants peace; it has fought and will continue to fight for peace at every international forum possible and with as many weapons as possible.

We are convinced that peace is not only possible but also necessary. Sooner or later, it will be understood that the Sandinist people's revolution is an irreversible development and that countries with different political and social systems can coexist here in Central America. Without the Reagan administration's shameless interference and overt sabotage of the Contadora Group's efforts, it is highly probable that a just and appropriate agreement could have already been reached among the Central American countries. Peace is possible, but the longer it takes in coming, the more bloodshed there will be, the more destruction there will be, and the longer it will take to heal the deep wounds. The time is now. The U.S. Government, whose policy has been the principal factor of destabilization in Central America, is the main culprit in our current tragedy and the only one that can speed up the conclusion.

Mr Reagan: You could earn the world's respect if you would only tell the truth to the American people, a truth which, moreover, everyone knows and acknowledges. Tell them, for instance, that your so-called freedom fighters are nothing but a gang of murderers; that your goal is not to establish the much touted democracy but to reestablish dirty privileges for the oligarchies and exploitative minorities. You should tell your people that we Nicaraguans do not threaten U.S. security and that it is our people's security and tranquillity which are being threatened by your policy. You should also tell them -- as you are perfectly aware of this -- that our weapons serve only to defend ourselves from the aggression that you yourself have organized against the Nicaraguan people. You might tell your countrymen in the United States about all the efforts that the Nicaraguan Government has made to normalize the relations between our two countries and that if no solution to the crisis has been obtained, it is only because your government has been intransigent and has blocked all peace efforts, seeking to make our revolution surrender unconditionally.

It is necessary to show the imperialist U.S. Government that its mercenaries do not stand a single chance of winning; show it that its policy is a failure and that regardless of what they might do, our morale, our determination to defend our soil and our skies, our children and parents, and what is ours is unswerving. Fulfilling the military service and joining the Sandinist People's Militias is not only a patriotic duty, it is an obligation characterized by solidarity and love for our brothers.

Our economic problems and the aggression are directly interrelated and we cannot think about truly resolving our economic problems without first defeating that aggression.

(?Along that) hard path, (?one can) view a beautiful, developed Nicaragua, filled with schools, factories, and modern farms; a Nicaragua with happy children and families living and making progress; a feee and sovereign Nicaragua, proud of its independence and its heroic people. That is the dream of Sandino, Rigoberto, (?and with him Santos) Lopez, Carlos Fonseca and Julio Buitrago; the dream of entire generations of the combatants. For them, for ourselves, for our children, for Latin America as a whole, let us turn those dreams into realities. Free fatherland! [shouts of "Or death!"] [applause]

U.S. CONGRESSMAN MEETS WITH ORTEGA, OTHERS

PA251543 Managua Radio Sandino Network in Spanish 1200 GMT 25 Feb 85

[Text] Bruce Morrison, Democratic representative from Connecticut's third district, met with Nicaraguan President Commander Daniel Ortega this weekend. Morrison, who is a member of a visiting delegation of the [name indistinct] Institute, arrived in the country on 15 February to determine the degree of aggression against Nicaragua brought about by the Reagan administration.

The U.S. delegation, which is promoting peace and social justice, has met with various social, political, and economic sectors in the country.

VENEZUELA'S HERRERA SAID TO OPPOSE U.S. POLICY

PA251534 Managua Radio Sandino Network in Spanish 1200 GMT 25 Feb 85

[Text] During a technical stopover in Managua on the way to San Salvador, former Venezuelan President Luis Herrera Campins met with Nicaraguan Deputy Foreign Minister Dr Nora Astorga last night.

The leader of Venezuela's Social Christians also met with Azucena Ferrey, a local Social Christian leader. Azucena Ferrey told newsmen that the former Venezuelan president opposes U.S. President Ronald Reagan's aggressive policy toward Nicaragua.

Azucena Ferrey said that Herrera Campins believes that the Contadora Group's efforts have not come to an end and that there is hope that the Central American conflict will be solved through political means.

ASSEMBLY MEMBER DENIES CHEMICAL WEAPONS CHARGES

PA231406 Managua Radio Noticias in Spanish 1200 GMT 22 Feb 85

[Text] It is another lie, another big lie, another U.S. threat. It is a lie in the manner of the crisis they provoked with the false alarm about MIG planes. General John Vessey, U.S. joint chief of staff, has told the U.S. Congress that Nicaragua has chemical weapons.

Manuel Eugarrios, combative journalist and Sandinist member of the National Constituent Assembly, comments for this station on this new attack by the U.S. Government on Nicaragua through their joint chief of staff. Here is journalist Manuel Eugarrios.

[Begin recording] Simply put, U.S. imperialism is so desperate over Nicaragua's justice and reason in its struggle to defend the national sovereignty and independence attained since July that not only does it constantly fabricate lies and slander against the Nicaraguan revolution, it now invents incredible and hysterical hoaxes, such as saying that a small, poor, underdeveloped nation that is constantly harassed and attacked militarily by the earth's biggest power now has chemical weapons. [Words indistinct] in view of the imperialism's lies and hoaxes.

This is similar to what they asserted in November when they said that Nicaragua had MIG aircraft. The rumor has now been disseminated that we Nicaraguans, a small nation, have developed our heavy industry not only in terms of war equipment, but have become so sophisticated that now we even have chemical weapons. No, we don't have any chemical weapons.

What the imperialists do not seem to realize in their stubbornness and stupidity is that our sole weapon is the high fighting morale of our people. as well as their firmness and determination not to be defeated and to prevent imperialism from enslaving them again. This is the most lethal weapon that we Nicaraguans have: our people with their morale. [end recording]

RESPONSE TO ORTEGA-PRODUCTIVE SECTOR MEETING

PSC President Comments

PA220407 Managua LA PRENSA in Spanish 20 Feb 85 pp 1, 12

[Text] "The assembly to exchange views between the productive sector (businessmen and workers) and President Ortega's government could be a good beginning for a number of patriotic efforts to counter and resolve the acute crisis in the country," said Social Christian Party, PSC, President Agustin Jarquin Anaya.

The PSC president said that "Saturday's assembly was not only a propagandistic ploy by the government to improve its image with international creidt organizations, but also sought to establish as quickly as possible the guidelines for the talks that must be held to achieve a consensus among all the interlocutors."

The PSC leader said that "two types of talks are necessary due to the current situation in the country. They are equally important and, therefore, should be simultaneously organized and carried out: 1. A national dialogue between the production sectors, to include the government, businessmen, and the workers' centrals as interlocutors. 2. A national dialogue between the political sectors, to include the government and all the country's political groups as interlocutors."

"These two dialogues require a propitious atmosphere for their development; this must be provided by enforcing a broad freedom of expression," Jarquin said.

"I have ascertained that the nonofficial sector is patriotically inclined to carry out these necessary civic activities; we are waiting for the government's reaction," Jarquin continued. "The Catholic Church, which maintains a dialogue with the FSLN government, might encourage and advocate these civic efforts."

CTN Issues Communique

PA240424 Managua LA PRENSA in Spanish 21 Feb 85 pp 1, 12

[Text] The secretary general of the Nicaraguan Workers Federation, CTN, has issued a communique which expresses the view of the CTN on the meeting held between Commander Daniel Ortega and the country's labor and productive sectors to discuss social, political, and economic conditions. The communique states: "Once again the working class of Nicaragua's democratic sectors has heeded the government's call, despite many reasons not to do so."

The communique adds: "This way we are demonstrating our flexibility and goodwill toward keeping open the channels of communication and dialogue with the government in order to achieve national peace."

The communique states: "We have always been prepared to contribute to solving the serious problems we Nicaraguans are enduring. The statements made during this meeting with the government were not by nature resolutions. They were informative. For this meeting to produce results, it is necessary for the government to follow up and provide immediate solutions, whenever possible, to all the problems that were pointed out. Otherwise, this will have been just another meeting and propaganda exercise."

The CTN affirms: "We believe that if there is the political will to get out of the deep crisis that leads us into a more difficult and dangerous situation every day, then the dialogue initiated on Saturday, 16 February, will serve as a starting point. It will be a point of reference so that we may sincerely let reason prevail and initiate a clear dialogue with the participation of all Nicaraguans involved in the crisis we are enduring."

The communique states: "No one should be left out of this dialogue, which has as its main purpose the unpostponable need to find peace. Only in peace we will be able to work together to produce the goods and services that are becoming increasingly scarce in our dear fatherland."

The communique stresses: "We must not forget that dialogue must be based on goodwill toward liberty and democracy, because without these elements it will be very difficult to control what will come."

The CTN communique concludes: "Only in this way can there be a dialogue between the government and the governed in a climate of calm and trust. If the dialogue does not take place in the conditions listed here, the government will have again wasted an opportunity to achieve the total reconciliation of the Nicaraguan people; and the hopes of the working class, which suffers the most as a result of the profound crisis we are enduring, would again be frustrated." The communique states: "We must not waste this new opportunity because if we do, the situation will worsen until it becomes uncontrollable, and the government will definitely be responsible for this."

EASTERN COTTON HARVEST IN 'CRITICAL CONDITION'

PA240223 Managua LA PRENSA in Spanish 21 Feb 85 pp 1, 12

[Text] The cotton harvest in the eastern region of the country is in critical condition, from the point of view of production and labor availability. The situation is more acute because of the lack of economic incentives for pickers. This statement was made by Mario Javier Gutierrez, president of the cotton producers of the eastern region.

Commander Jaime Wheelock Raman has announced that cotton prices will be adjusted; this should be done as soon as possible so that we can know what the new price will be, Gutierrez affirmed.

Gutierrez said: Incentives must be given to producers prior to preparing the land for the 1985-86 sowing.

Cotton producers in the east believe that the shortage of cotton pickers has caused part of the crop to fall to the ground. Therefore, there is a danger that the quality of the white gold will be deteriorated by time as well as by out-of-season rains.

The president of the eastern region cotton producers said that in the past, evaluations and estimates made before and after the sowing have been completely inaccurate.

All the cotton producers have been reducing their production estimates because of the lack of cotton pickers in Masaya, Managua, and Granada.

Gutierrez noted: It is very probable that some cotton producers will dedicate their land to other products, the prices of which were announced by Commander Jaime Wheelock Roman at the Government House.

In the past 3 years, cotton producers have demonstrated that they are efficient, but they have suffered losses because there has been a shortage of cotton pickers and their bank debts have increased.

In the eastern region we planted 21,000 manzanas, Gutierrez noted. Of this total, 11,000 belong to the private sector and the rest to the state-owned sector and the cooperatives.

The present board of directors of the Association of Cotton Producers of the Eastern Region is composed of the following persons: Mario Javier Gutierrez, president; Ivan Zaballos, vice president; Dr Nicolas Bolano, secretary; Hans Kuhn Bolanos, treasurer; and Jose Maria Isaba Aldana, Octavio Taylor Ingram, and Guillermo Lacayo Blaco, members.

CDN DEMANDS DIALOGUE AT PRESS CONFERENCE

PA251406 San Jose Radio Impacto in Spanish 1830 GMT 22 Feb 85

[Text] The Nicaraguan Democratic Coordinating Board [CDN] held a press conference at noon today. At this news conference, opponents of the Sandinist regime demanded a national dialogue.

A document read by CDN President Eduardo Rivas Gasteazoro analyzes the situation experienced by Nicaragua since the ouster of the Somozist dictatorship and the current critical situation, which is a result of the civil war that is bleeding the country to death. The opponents to the Sandinist regime demanded a dialogue and asked the Nicaraguan Catholic Church to serve as a guarantor and mediator in this dialogue.

Part of the document read by the CDN president states:

[Begin recording] This overall and basic situation is based on finding a consensus among all Nicaraguans for political, social, economic, [word indistinct], and human aspects for a new Nicaragua whose pillars are democracy and freedom. There is only one path to that consensus: dialogue. It must be a dialogue between the government and all Nicaraguan democratic sectors to discuss these basic topics.

We know that the number of citizens who no longer expect anything out of this [word indistinct] solution is constantly rising. The experience in previous dialogue attempts shows that when the FSLN [words indistinct] with the sole intention to present a democratic image abroad.

However, we still think there is a way to achieve the honest, sincere, and effective dialogue we are looking for. [sentence indistinct] [end recording]

GUERRILLA LEADER ON NEW ANTI-SANDINIST BRIGADE

PA250348 Panama City LA PRENSA in Spanish 23 Feb 85 p 1

[Text] Hugo Spadafora, a doctor and guerrilla fighter, said in a statement to LA PRENSA that the formation of the Bolivarian Brigade, which will fight the "current Sandinist regime," is one of his goals.

Spadafora, who led the Victoriano Lorenzo Brigade that fought to depose former Nicaraguan President Anastasio Somoza, asserted that the Bolivarian Brigade will be composed of Latin American, European, and North American volunteers.

"The creation of the volunteer brigade to participate in the war will undoubtedly give political and military advantages to the Nicaraguan democrats," Spadafora asserted.

The doctor and guerrilla fighter pointed out the following advantages of this brigade:

1. It will underscore the political importance of the presence of dozens of democratic volunteers already fighting in Nicaragua.

2. It will increase continental and international sympathy and solidarity with the democratic cause, which is of vital importance in this struggle against the world's enemy, and neutralize to a great extent the communist propaganda.

3. It will serve as a vehicle to channel the enormous human and material resources that might be obtained through an adequate information and propaganda campaign.

Spadafora explained that "in order to attain these goals and still remain faithful to its nature and origins, the Bolivarian Brigade must adopt a pluralist, democratic, nonaligned, and Latin American policy and language, taking these banners from the Castrocommunists, who use them so falsely and efficiently."

Spadarora, who fought beside the Sandinists to oust the Somozist regime, said: "The unity of all antitotalitarian forces is necessary to defeat communism in Nicaragua."

"Consequently, the Bolivarian Brigade must speak about and enforce a policy of unity; in other words, a policy of collaboration with all the groups that fight communism," Dr Hugo Spadafora said.

He criticized the Soviet Union's policy, saying that "thoughout its existence, the Soviet Union has successfully carried out its policy of supporting national liberation movements on all the continents, particularly in the Third World, for its own benefit, craftily disguising the imperialist character of its foreign policy," while "Western powers make the mistake of doing completely the opposite, and end up paying an extremely high political price."

HAVANA NOTES SCHOOL OF THE AMERICAS AT FT BENNING

FL211522 Havana Domestic Service in Spanish 1145 GMT 21 Feb 85

[Report by Alberto de Perez, describing television program monitored via satellite]

[Text] Pictures of Latin American military officers training in counterinsurgent tactics at the so-called, or better yet, misnamed School of the Americas can be seen now on the screen.

I have seen officers advancing toward a supposed guerrilla objective and the U.S. advisers who are training them. This unique school, truly a facility for assassination and crime, is now located at Fort Benning, Georgia. It was transferred there after the Panamanian Government asked that the school be removed from the canal area.

At Ft Benning, headquarters of paratroopers and U.S. Special Forces, the "crime manual" was implemented. This book teaches ways to assassinate civilian officials. The manual was used against the Vietnamese during the U.S. aggression against heroic Indochina, and more recently translated into Spanish, word for word, by the CIA-mercenary forces who have been attacking Nicaragua from Costa Rica and Honduras. All this, according to the School of the Americas' commanding general, who was shown on the screen, is in the interest of advancing liberty and democracy. All very free and very democratic, don't you think?

TELEVISION REPORT ON PLANNED NATO MANEUVER

FL260156 Havana Television Service in Spanish 0100 GMT 26 Feb 85

[Text] A NATO maneuver, scheduled to begin in a few hours, will involve the highest circles of the British Government and the military hierarchy of the NATO countries. The exercise will be carried out under the name "Wintex" and apparently, it will not include the movement of troops. Its objectives and location remain a secret.

The new NATO war games will begin with an international political crisis, which will generate military and government instructions. It will conclude with crucial consultations to decide on a hypothetical nuclear exchange.

JAPANESE DELEGATION ARRIVES FOR CONFERENCE

FL251806 Havana Television Service in Spanish 1200 GMT 25 Feb 85

[Text] The Japanese delegation attending the eighth mixed meeting of the Cuban-Japan Economic Conference has arrived at Jose Marti International Airport. Foreign Trade Minister Ricardo Cabrisas greeted the distinguished guests.

The Japanese delegation is headed by Mr Rioichi Kawai, president of the board of directors of the [word indistinct] company and president of the Cuba-Japan Economic Conference.

The group is composed of 42 businessmen representing 22 Japanese banks, industrial, and commercial firms. The eighth mixed meeting of the Cuba-Japan Economic Conference will begin this Monday morning at Havana's Palace of Conventions.

TECHNICIANS IMPROVE ANGOLAN BROADCASTING EQUIPMENT

FL232030 Havana Domestic Service in Spanish 1529 GMT 23 Feb 85

[Text] The installation of broadcasting studios and master control units for radio stations in the Angolan provinces of Moxico, Huila, Uige, and Namibe, are part of the fruitful labor of 13 Cuban Institute of Radio and Television [ICRT], technicians who are providing internationalist cooperation to this African country.

Jesus Tolon, chief of the group, said the work helped improve the transmission quality of radio and television broadcasts. He said that another important aspect of their work was the repair of equipment at the main station of the Radio Nacional de Angola which includes repairing tape recorders, monitors, amplifiers, and consoles.

Tolon said the ICRT technicians also teach theoretical and practical courses to 20 Angolan students studying radio technology. Giving assistance in the television field are a cameraman, a lighting technician, and an adviser for children's programs.

TEACHING CONTINGENT IN ANGOLA WRITES REPORTS

PA251942 Havana International Service in Spanish 1600 GMT 25 Feb 85

[Text] Internationalist Cuban teachers working in Angola have written more than 200 reports as part of their pedagogical work for the current school year. This exceeds by 100 the number of reports presented during the previous term.

Among other things, these reports deal with technical aspects of teaching, technical resources to teach class, analysis of the learning process, and methodology.

Approximately 1,000 internationalists make up the Cuban educational contingent in Angola. They teach from the fourth grade level in primary school through junior high school.

MEDAL BESTOWED ON SOVIET NAVAL DETACHMENT

FL252009 Havana Domestic Service in Spanish 1145 GMT 25 Feb 85

[Excerpt] The fraternal combatant medal was bestowed on members of the Soviet naval detachment which is currently on a friendship visit to our country. This event coincided with the 67th anniversary of the brother country's Armed Forces and is another sign of the close ties existing between our countries.

NICARAGUAN HEALTH MINISTER ARRIVES IN HAVANA

PA251723 Havana International Service in Spanish 1600 GMT 25 Feb 85

[Text] Nicaraguan Health Minister Lea Guido stated upon arriving in Havana, that the objective of her visit is to closely study the progress made by Cuba in the pharmaceutical industry.

She pointed out that the Nicaraguan people are firmly defending achievements made in the public health field at a time when they are facing a dirty war being waged by the United States against the country.

Lea Guido was thus referring to the successful implementation of the Nicaraguan anti-poliomyelitis campaign. This terrible disease was eradicated 6 years after the revolution's victory.

During her interview, Lea Guido pointed out that the Sandinist people are working amid difficult conditions, however, they are working to consolidate what has already been achieved and to prevent that work from being destroyed.

RAUL CASTRO VISITS DEFENSE TRAINING CENTERS

FL235733 Havana Domestic Service in Spanish 1145 GMT 25 Feb 85

[Text] Army General Raul Castro, second secretary of the party's Central Committee and minister of the Revolutionary Armed Forces, has visited Pinar del Rio Province and noted the progress being made in defense training.

In Los Palacios municipality, Raul toured the main traning center built with local resources. There, he witnessed a complex exercise drill executed by a specially trained small unit of the Territorial Troops Militia. It showed the high level of combat capabilities achieved.

Likewise, by simulating an aerial enemy attack, an economic target production and defense brigade showed the kind of training received in rescue tasks, evacuation, first aid, emergency repairs, and fires.

During his second day in Pinar del Rio Province, Raul presided over the banner presentation ceremony of the 32 batallions composing the third party congress contingent. It is formed by over 2,600 youths willing to fulfill any production or defense task wherever it is needed.

CAMAGUEY CATTLEMEN TAKE MEASURES AGAINST DROUGHT

FL201738 Havana Television Service in Spanish 1200 GMT 20 Feb 85

[Text] Cattlemen from Camaguey Province are waging a persistent struggle to minimize the negative efforts of the intense and prolonged drought. During recent months, they built 60 mini-dams around water holes and streams at 19 livestock enterprises, to better utilize the reduced water availability. Almost 100 pipes, moved by tractors on an average of 4 to 5 times per day, supply the herds drinking troughs in places where the wells have dried up.

LEADERS ASK CANADA'S MULRONEY FOR TRADE PACT

FL252218 Bridgetown CANA in English 1855 GMT 25 Feb 85

[By Paget Defreitas]

[Text] Kingston, Jamaica, Feb 25, CANA -- Caribbean leaders today asked Canadian prime minister, Brian Mulroney, to institute a one-way free trade arrangement for their goods, along the lines of Washington's Caribbean Basin Initiative (CBI). The proposal was outlined by Jamaica's Prime Minister Edward Seaga as he opened a two-day Western Hemisphere Commonwealth Summit, and brought a guarded response from Mulroney.

Mulroney told CANA that the Canadian Government was willing to explore the concept, and we are going to do it. We have a foreign policy review that has already begun and this will be part of it, Mulroney said. I am sure I will be hearing more about it at the meetings momentarily and at the appropriate moment we will have something to say, added the Canadian leader, speaking after the formal opening session.

Seaga had raised the matter with Mulroney during bilateral discussions yesterday, and won endorsement for the proposal during a later strategy session with his Caribbean counterparts. I didn't want to catch anybody offguard with the proposal, Seaga told CANA. But the Jamaican prime minister confirmed that the suggestion was in line with the original concept of the CBI which the Reagan administration extends to its friends in Central America and the Caribbean -- when it was first discussed between the Governments of the United States, Canada, Venezuela and Mexico.

The CBI was originally to be an all-encompassing arrangement but Canada's former government led by the Liberal Pierre Trudeau backpedalled apparently out of concern that the Reagan administration was making the proposal an extension of its Central American policy while the drastic decline in their economies and the debt crisis overcame Venezuela and Mexico. Mulroney, however, in his formal speech had noted that trade between Canada and the Commonwealth Caribbean now exceeded half a billion Canadian dollars annually, while 93 per cent of Caribbean exports entered Canada duty free. Of the remaining seven per cent, 72 per cent entered under preferential treatment, Mulroney pointed out.

But Seaga said that the small number of goods still subjected to tariffs included garments, cigars and footwear -- three of the highest employers of labour and earners of foreign exchange. Garments and footwear are not covered by the CBI. Apart from these items for the proposed arrangement, consideration should also be given to rum and other products, Seaga said. A free trade regime like the CBI should also lower the value-added requirements to improve the eligibility of products from this region to access the Canadian market, the Jamaica leader said. CBI local value added requirement is 35 per cent, which can be made up from imports from designated beneficiaries or a portion from the United States.

Seaga said that if investment incentives were also tailored to specific projects another valuable tool would be put to work to achieve greater investment, jobs and foreign exchange. Most Canadian investment in the Caribbean is in banking and insurance and some mining. Investment incentives were a proposal of the original Reagan plan for the United States, but that element was defeated in Congress.

Analysts here say that a one-way free trade arrangement was unlikely to bring significant, immediate benefits to the Caribbean in terms of trade with Canada, but would be developed with an eye on the future, giving the region an opportunity to attract new types of business with the lure of the North American Continent as a market. Seaga had argued that his proposal -- to be called Caribcan -- although it would be significant to the region would not be drastic enough to be more than a ripple in existing Canadian trade and investment flows, despite Canada's economic difficulties.

Mulroney did offer a salve: a commitment to honour Trueau's promise to double Canadian aid to the region by 1987 to U.S. 280 million dollars. Canada's commitment to double its aid to the region between 1982 and 1987 will be fully honoured, Mulroney told the summit.

Seaga had also lamented the slow pace at which recovery was reaching Third World nations while their problems were deepened by their heavy debt burden, falling commodity prices and reduced export earning, and growing protectionism in the industrialised states. Developing countries were adjusting through cutting imports and government spending, attempting to spur exports and renegotiating debts. But all these efforts are stymied by the hesitancy of the recovery in a number of developed countries, by the continuing high level of international interest rates, and by the persistence of protectionist policies. Despite the overly economic thrust of the summit there were some political undertones, and Seaga did mention that genuine consultation and coordination among like-minded governments could contribute to significantly reduce the world problems.

All the Caribbean Community (Caricom) member states except Guyana are at the conference. However, Trinidad and Tobago's George Chambers and Antigua and Barbuda's Vere Bird are absent and their delegations are being led by their deputies. The leaders of the British Caribbean colonies of Anguilla, Bermuda, British Virgin Islands and the Turks and Caicos Islands are also present.

Seaga, noting that the issue of Grenada had been settled with the election victory of a democratic government, had declared about the Commonwealth Caribbean: We have already taken positive steps to signal to the world that the countries of our region are not prepared to stand idly by and allow alien ideologies and political models to be imposed upon us. The region has clearly looked at all the options and increasingly settled on a course of moderation.

GRENADA

EMBASSY TO BE ESTABLISHED IN WASHINGTON

FL251516 Bonaire Trans World Radio in English 1130 GMT 25 Feb 85

[Text] Grenadian Foreign Minister Ben Jones said yesterday that Grenada plans to establish an embassy in Washington to improve relations with the United States. Mr Jones said, quoting now, we would like to put our relationship with the United States on a firm footing because they already have an embassy in Grenada while we do not yet have one in Washington. He added that immediately after the U.S.-led multinational intervention in Grenada in October of 1983, the U.S. Administration moved to set up an embassy in the island. Relations between the two countries were strained during the 4 and 1/2 years of government under slain Prime Minister Maurice Bishop. Albert Xavier has been designated Grenada's ambassador to Washington. Mr Xavier also will serve as Grenada's representative to the Organization of American States. Mr Jones also said the government was trying to clear Canadian-born dentist Lamuel Stanislaus to head Grenada's delegation to the United Nations in New York. Mr Stanislaus, who is a citizen of the United States, is not allowed to be another country's envoy.

JAMAICA

SEAGA SAYS ECONOMY RECOVERS 'DRAMATICALLY'

FL222015 Bridgetown CANA in English 1836 GMT 22 Feb 85

[Text] Kingston, Jamaica, Feb 22, CANA -- Prime Minister Edward Seaga said on television last night that the beleaguered Jamaican economy had been recovering dramatically.

He said the country's adjustment under a one-year stand-by agreement with the International Monetary Fund (IMF) paralleled Mexico's recovery after tottering at the brink of disaster when its debt crisis erupted.

This is the most dramatic recovery undertaken by the world this year, Seaga said last night on a televised discussion on the economy with three academics at the Mona campus of the University of the West Indies [UWI] here. Last year, that recovery was achieved by Mexico, the prime minister added.

Under an IMF austerity programme, which is now into its final quarter, Seaga has to halve a fiscal deficit that was 17 per cent of gross domestic product (GDP) over one year, as well as show a balance of payments surplus of nearly 300 million (U.S.) dollars, with liquid reserves of around 100 million (U.S.) dollars. The government says it is on course towards achieving these targets by the end of the current fiscal year in April, after a series of tough measures including sharp cuts in government spending and devaluation of the local dollar. Some analysts here say that achievement of these targets, on a per capita basis, ranked with Mexico's building up of eight billion dollars in reserves, coming from zero positon two years ago.

Seaga's discussion with Professor Carl Stone from the Department of Government. Professor Rex Nettleford of the UWI's Trade Union Development Institute, and Dr Keith Worrell of the Department of Management Studies followed a breakfast meeting with journalists where much of the same ground was covered. The prime minister had on Tuesday night spoken in Parliament on the state of the economy and signalled to Jamaicans that there will be more belt-tightening because of the recent shutdown of the Alcoa alumina refinery here and further uncertainty in the all-important bauxite industry.

Seage said his government had undertaken the present drastic adj tment because Jamaica did not have much time to put its house in order. We have no more than a couple of years to tackle this problem. The level of help we have been getting to close the gaps is not sustainable for more than a couple of years, he said. Seaga said there were no short term, quick fix measures to the island's economic crisis, despite significant progress in the development of tourism, agriculture and manufacturing. We have a long way to go taking the targets year by year, bearing in mind the imponderables there waiting for us, he said.

Seaga conceded manufacturing was relatively slow in taking despite the devaluation of the Jamaican dollar which was supposed to make exports more competitive, and that most of the smaller firms with low value added in the production for home market would find it difficult to survive under his programme of deregulation. He said, however, that though quantitative and other import restrictions would be removed from the more sensitive products this year, tariffs would be used to ensure that Jamaican manufacturers remain competitive.

Bauxite industry sources say the future of the Alpart alumina partners 1.1-million-tonne refinery hangs in the balance because of the wish of one of the owners to get out of the metals business and the apparent unwillingness or inability of the other partners, Kaiser and Reynolds, to take over its shares. In fact, last year Reynolds stopped mining bauxite in Jamaica. Alpart's closure would widen a foreign exchange gap of 40 million dollars and a hole in the fiscal budget of 125 million (J) dollars left by Alcoa.

Seaga said last night these developments made Jamaica's long-term recovery more difficult, but strengthened his case for the structural adjustment of the economy pursued by his government to lesson Jamaica's dependence on bauxite.

JACKSON DENIES REQUESTS TO MONITOR ELECTIONS

FL251436 Bonaire Trans World Radio in English 1130 GMT 25 Feb 85

[Text] Guyanese Foreign Minister Rashleigh Jackson yesterday denied requests by three international organizations to study Guyana's electoral procedures, saying it would be wholly inappropriate. The request came from the Washington-based Americas Watch, the British Parliamentary Group for Human Rights, and the International Commission of Jurists. A letter from Neil McDermott, secretary general of the Commission of Jurists, said that a number of Guyanese unions and human rights groups asked the three to study local electoral procedures and make recommendations. It said, quoting now, our mission's sole concern is to make any contribution to ensure that the forthcoming elections are accepted on all sides, both internally and internationally, as being fair and free.

During the last elections, a British team found electoral lists had been padded with fictitious names and that a number of people who were registered were not allowed to vote. Mr Jackson said in a letter to the three groups, in his words: My government cannot accept that external organizations have the right, on their own, to establish a commission to inquire into matters which admittedly fall entirely within its domestic jurisdiction.

THREE SUGAR WORKERS' UNIONS THREATEN STRIKE

FL252154 Bridgetown CANA in English 1910 GMT 25 Feb 85

[Text] Georgetown, Guyana, Feb 25, CANA -- The three unions representing an estimated 27,000 workers in the state-owned sugar industry have told the Guyana Sugar Corporation, (Guysuco) of their intention to call a general strike in the industry, the second major foreign exchange earner. The issue which the unions are pressing for is the unresolved annual production incentive over which there had been lengthy discussions with the unions and Guysuco but there was no agreement, a spokesman for the Guyana Agricultural and General Workers Union (GAWU) said. The PPP-backed union represents an estimated 23,000 sugar workers.

The spokesman said the unions had threatened to take industrial action some time ago when Guysuco made a unilateral payout of monies without any agreement with the three unions. Our unions are very concerned that the question of the payment of annual production incentive to workers in the sugar industry is yet unresolved, the letter to the chief industrial relations manager, D.P. Sankar, said. A spokesman for the corporation acknowledged receipt of the letter but declined comment. We have made every reasonable proposition to the corporation which we believe could have settled the issue in the interests of all the parties concerned, the letter said. The unions and the workers have exercised a lot of constraints on this issue. In the light of the adamant position taken by your corporation, we are directed to serve notice on you that anytime after the expiration of 72 hours our unions will proceed to call their entire membership in the industry out on strike to protest the unilateral action taken by the corporation and its failure to agree to the just claim by the workers, the letter said. The other two unions are the Guyana Field Foremen and Supervisors Union and the National Association of Agricultural, Commerical, and Industrial Employees.

PARTIES ISSUE TEXTS OF LETTERS ON UNITY TALKS

FL231310 Bridgetown CANA in English 1210 GMT 23 Feb 85

[Text] Georgetown, Guyana, Feb 23, CANA -- Guyana's ruling People's National Congress (PNC) and the opposition People's Progressive Party (PPP) have released the text of recent letters exchanged by the two socialist parties on proposed high-level bilateral unity talks.

The move follows last month's election year announcement by President Forbes Burnham's PNC that it would seek constructive dialogue with the Marxist PPP, led by ex-Premier Dr Cheddi Jagan. The January 25 PNC invitation to the PPP reads:

Dear Comrades,

At its meeting on 10th January 1985, the Central Executive Committee of our party (CEC) received with due care and attentiveness a report of discussions that have been going on between certain members of our parties with a view to exploiting the possibility of identifying areas in which our parties might be able to cooperate fruitfully and effectively in the interest of national development, security, and socialist construction. Inasmuch as our party is committed to the thesis that constructive dialogue is not only preferable to sterile confrontation, but is vital to the evolution and maturing of our politico-economic processes, CEC considered the initiative taken to be a commendable one and the discussions quite useful so far. However, CEC was of the opinion that because of the unofficial character, among other things, of the discussions, they were unlikely, unless suitably reinforced, to yield the practical and concrete agreements which in the final analysis were perceived to be their objective, and I have accordingly been directed to invite your party to agree that the discussions be now placed on a structured party-to-party basis at leadership level. If the response to this invitation is positive then I have been further directed to propose that each party name a small team of representatives to meet at an early date to settle the modalities.

With kind regards, yours cooperatively,

Dr P.A. Reid, Chairman of the Central Executive Committee, People's National Congress

In a February 11, reply addressed to Dr Reid, the PPP said:

Dear Comrade,

The Executive Committee of the People's Progressive Party wishes to acknowledge your letter of Friday, January 25th, 1985, in which you called for discussions to identify areas in which our parties might be able to cooperate fruitfully and effectively in the interest of national development, security, and socialist construction. Our Executive Committee wishes to point out that such objectives have always guided, and will do, our historical role and our all round work. Accordingly, we have consistently called and have been working for national unity in the form of a national patriotic front government which in our considered opinion are prerequisites for the attainment of these objectives. In view of the sentiments expressed in your letter about national development, security, and socialist construction, and also our concern for social progress, it is our opinion that these can only be realised by a sound programme and policies. And we have repeatedly stated that there can be no solution to the economic and social crisis without a solution to the political crisis. Consequently, we think it will be helpful if we can receive from you what specific suggestions you may have, not only about the economic and social crisis, but also about a political solution for Guyana. In the meantime, on our part, we intend to have consultations with our membership following which we will respond to your invitation.

Yours sincerely,

Cheddi Jagan, General Secretary, PPP